

STATE OF MINNESOTA

# Journal of the Senate

EIGHTIETH LEGISLATURE

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SEVENTY-NINTH DAY

St. Paul, Minnesota, Tuesday, February 24, 1998

The Senate met at 9:30 a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Senator Dean E. Johnson.

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

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

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

Ms. Junge was excused from the Session of today.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

February 19, 1998

The Honorable Allan H. Spear  
President of the Senate

Dear Senator Spear:

The Subcommittee on Committees of the Committee on Rules and Administration met on February 6, 1998, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 1996

137.0245: Regent Candidate Advisory Council - Messrs. Joseph Aitken, Paul Dovre and Sr. Colman O'Connell for a term expiring the first Monday in January, 2003.

Respectfully,  
Roger D. Moe, Chair  
Subcommittee on Committees

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2130, 2679 and 486. The motion prevailed.

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

**S.F. No. 2130:** A bill for an act relating to health; establishing a minimum definition of durable medical equipment; requiring disclosure of covered medical equipment and supplies; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Delete everything after the enacting clause and insert:

"Section 1. [62Q.66] [DURABLE MEDICAL EQUIPMENT COVERAGE.]

No health plan company that covers durable medical equipment may utilize medical coverage criteria for durable medical equipment that limits coverage solely to equipment used in the home.

Sec. 2. [62Q.67] [DISCLOSURE OF COVERED DURABLE MEDICAL EQUIPMENT.]

Subdivision 1. [DISCLOSURE.] A health plan company that covers durable medical equipment shall provide enrollees, and upon request prospective enrollees, written disclosure that includes the information set forth in subdivision 2. The health plan company may include the information in the member contract, certificate of coverage, schedule of payments, member handbook, or other written enrollee communication.

Subd. 2. [INFORMATION TO BE DISCLOSED.] A health plan company that covers durable medical equipment shall disclose the following information:

(a) general descriptions of the coverage for durable medical equipment, level of coverage available, and criteria and procedures for any required prior authorizations; and

(b) the address and telephone number of a health plan representative whom an enrollee may contact to obtain specific information verbally, or upon request in writing, about prior authorization including criteria used in making coverage decisions and information on limitations or exclusions for durable medical equipment.

Sec. 3. [EFFECTIVE DATE; APPLICATION.]

Sections 1 and 2 are effective January 1, 1999, and apply to health plans issued, renewed, or continued as defined in Minnesota Statutes, section 60A.02, subdivision 2a, to provide coverage to a Minnesota resident on or after that date."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

**S.F. No. 668:** A bill for an act relating to occupations; enacting the Industrial Hygienist and Safety Professional Title Protection Act; providing title protection to the professions of industrial hygiene and safety; proposing coding for new law as Minnesota Statutes, chapter 182A.

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

Delete everything after the enacting clause and insert:

"Section 1. [182A.01] [SHORT TITLE.]

This chapter may be cited as the Industrial Hygienist and Safety Professional Title Protection Act.

Sec. 2. [182A.02] [PURPOSE.]

The purpose of the Industrial Hygienist and Safety Professional Title Protection Act is to provide legal recognition to the profession of industrial hygiene and safety, to assure the public that individuals representing themselves as industrial hygiene and safety professionals meet minimum qualifications, and to further public health and safety.

Sec. 3. [182A.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.

Subd. 2. [ACCREDITED COLLEGE OR UNIVERSITY.] "Accredited college or university" means a college or university that is accredited by one of the following regional accrediting agencies: Middle States Association of Schools and Colleges, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, or Western Association of Colleges and Schools. A college or university that is located outside the United States is accredited if it is accredited by an agency within the jurisdiction of the college or university that has accreditation standards that are at least equal to the standards of the regional accrediting agencies.

Subd. 3. [AMERICAN BOARD OF INDUSTRIAL HYGIENE OR ABIH.] "American Board of Industrial Hygiene" or "ABIH" is the nonprofit corporation established to improve the practice and educational standards of the profession of industrial hygiene by certifying individuals who meet its education, experience, and examination requirements.

Subd. 4. [ASSOCIATE SAFETY PROFESSIONAL OR ASP.] "Associate safety professional" or "ASP" is an individual who has received the designation associate safety professional from the Board of Certified Safety Professionals and whose recognition has not lapsed or been revoked.

Subd. 5. [BOARD OF CERTIFIED SAFETY PROFESSIONALS OR BCSP.] "Board of Certified Safety Professionals" or "BCSP" is the nonprofit corporation established to improve the practice and education standards of the profession of safety by certifying individuals who meet its education, experience, examination, and maintenance requirements.

Subd. 6. [CERTIFIED INDUSTRIAL HYGIENIST OR CIH.] "Certified industrial hygienist" or "CIH" is an individual who has received the designation certified industrial hygienist from the American Board of Industrial Hygiene and whose certification has not lapsed or been revoked.

Subd. 7. [CERTIFIED SAFETY PROFESSIONAL OR CSP.] "Certified safety professional" or "CSP" is an individual who has received the designation certified safety professional from the Board of Certified Safety Professionals and whose certification has not lapsed or been revoked.

Subd. 8. [CONSTRUCTION HEALTH AND SAFETY TECHNOLOGIST OR CHST.] "Construction health and safety technologist" or "CHST" is an individual who has been designated a construction health and safety technologist through joint certification by the American Board of Industrial Hygiene and the Board of Certified Safety Professionals and whose certification has not lapsed or been revoked.

Subd. 9. [INDUSTRIAL HYGIENE.] "Industrial hygiene" means the science and art devoted to control of those environmental factors and stresses arising in or from the workplace that may cause sickness, impaired health and well-being, or significant discomfort and inefficiency among workers and the general community.

Subd. 10. [INDUSTRIAL HYGIENIST IN TRAINING OR IHIT.] "Industrial hygienist in training" or "IHIT" means an individual who has been designated industrial hygienist in training by the American Board of Industrial Hygiene whose designation has not lapsed or been revoked.

Subd. 11. [OCCUPATIONAL HEALTH AND SAFETY TECHNOLOGIST OR OHST.] "Occupational health and safety technologist" or "OHST" means an individual who has been designated an occupational health and safety technologist through joint certification by the American Board of Industrial Hygiene and the Board of Certified Safety Professionals and whose certification has not lapsed or been revoked.

Subd. 12. [SAFETY PROFESSION.] "Safety profession" means the science and art of hazard controls.

Sec. 4. [182A.04] [USE OF TITLE; INITIALS LIMITED.]

Subdivision 1. [PROHIBITION.] (a) A person may not use the title industrial hygienist in training, or the initials IHIT, or represent to the public that the person is an industrial hygienist in training, unless the person is an industrial hygienist in training as defined in section 182A.03.

(b) A person may not use the title certified industrial hygienist, or the initials CIH, or represent to the public that the person is a certified industrial hygienist, unless the person is a certified industrial hygienist as defined in section 182A.03.

(c) A person may not use the title certified safety professional, or the initials CSP, or represent to the public that the person is a certified safety professional, unless the person is a certified safety professional as defined in section 182A.03.

(d) A person may not use the title associate safety professional, or the initials ASP, or represent to the public that the person is an associate safety professional, unless the person is an associate safety professional as defined in section 182A.03.

(e) A person may not use the title construction health and safety technologist, or the initials CHST, or represent to the public that the person is a construction health and safety technologist, unless the person is a construction health and safety technologist as defined in section 182A.03.

Subd. 2. [EXCEPTIONS.] Subdivision 1 does not apply to:

(1) an individual employed as an apprentice under the supervision of a certified industrial hygienist, certified safety professional, associate safety professional, construction health and safety technologist, or occupational health and safety technologist;

(2) a student of industrial hygiene or safety engaging in supervised activities related to industrial hygiene or safety;

(3) a person engaged in activities permitted under a state or local license who does not use the title or initials of, or represent to the public that the person is an industrial hygienist in training, certified industrial hygienist, certified safety professional, associate safety professional, construction health and safety technologist, or occupational health and safety technologist; or

(4) a person practicing industrial hygiene or safety, who does not use the title or initials of, or represent to the public that the person is an industrial hygienist in training, certified industrial hygienist, certified safety professional, associate safety professional, construction health and safety technologist, or occupational health and safety technologist.

Sec. 5. [182A.05] [ENFORCEMENT; REMEDIES.]

A violation of section 182A.04 is an unlawful practice under section 325F.69. A person who violates section 182A.04 is subject to the remedies provided in sections 325F.68 to 325F.70."

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. 2679:** A bill for an act relating to utilities; modifying certain provisions of power purchase contracts and biomass fuel exemptions; amending Minnesota Statutes 1996, section 216B.2424, subdivision 3; and Minnesota Statutes 1997 Supplement, section 216B.1645.

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

Page 1, line 15, delete the new language

Page 1, line 16, delete the new language and after "expenses" insert "reasonably"

Page 1, line 22, before the period, insert ", to the extent they are not offset by utility revenues attributable to the contracts or investments"

Page 1, line 25, after the period, insert "Nothing in this section shall be construed to determine the manner or extent to which revenues derived from other generation facilities of the utility may be considered in determining the recovery of the approved cost or expenses associated with the mandated contracts or investments in the event there is retail competition for electric energy."

Page 2, after line 19, insert:

"Sec. 3. [STATE BIOMASS RENEWABLE ENERGY GOOD FAITH GUARANTEE.]

The commissioner of finance, on behalf of the state and in order to develop the state's agricultural resources, shall enter into an agreement with a party that has a contract approved by the public utilities commission to generate the biomass power mandated under Minnesota Statutes 1996, section 216B.2424, subdivision 5. The agreement shall provide that in return for a party entering into a binding contract obligating a party to design, construct, and operate a biomass energy facility to satisfy the mandate, that the state will indemnify the party for actual losses of outstanding debt caused by a change in the biomass mandate during the guaranteed term of a power purchase agreement. The party must exhaust remedies it has against the utility to recover those losses prior to seeking indemnification from the state. The party has a duty to mitigate those losses."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring good faith guarantees for mandated biomass projects;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, 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. 2078:** A bill for an act relating to crime; increasing the minimum sentence for certain firearms offenses; amending Minnesota Statutes 1996, section 609.11, subdivision 5.

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

**Ms. Piper, Messrs. Pogemiller and Stumpf from the Committee on Children, Families and Learning, to which was referred**

**S.F. No. 486:** A bill for an act relating to education; proposing an amendment to the Minnesota

Constitution; dedicating a percentage of lottery proceeds to the Minnesota state colleges and universities to provide financial support to students of low-income families; establishing a student opportunity grant program at the Minnesota state colleges and universities; appropriating money; amending article XI by adding a section; proposing coding for new law in Minnesota Statutes, chapter 136F.

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

Page 1, line 16, before "Not" insert "A permanent Minnesota student financial aid trust fund is established in the state treasury. The principal of the trust fund must be perpetual and inviolate forever, except appropriations may be made from up to 25 percent of the annual revenues deposited in the fund until fiscal year 2005. This restriction does not prevent the sale of investments at less than the cost to the fund, however, all losses not offset by gains shall be repaid to the fund from the earnings of the fund. The net earnings from the fund shall be appropriated in a manner prescribed by law to provide financial assistance to students attending Minnesota institutions of higher education."

Page 1, line 17, delete "appropriated in a manner" and insert "credited to the fund."

Page 1, delete lines 18 to 20

Page 1, delete lines 24 to 27 and insert:

"Shall the Minnesota Constitution be amended to dedicate not less than 20 percent of the net proceeds from the state lottery to a Minnesota student financial aid trust fund to provide financial assistance to students attending Minnesota institutions of higher education?"

Page 2, delete sections 3 and 4

Delete the title and insert:

"A bill for an act relating to education; proposing an amendment to the Minnesota Constitution; establishing a student financial aid trust fund using proceeds of the state lottery; amending article XI by adding a section."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

**S.F. No. 2245:** A bill for an act relating to insurance; automobile; reducing age for eligibility for premium reduction for attending accident prevention course; amending Minnesota Statutes 1996, section 65B.28, subdivisions 1, 2, and 4.

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. 2136:** A bill for an act relating to financial institutions; regulating use of spousal credit history; requiring that creditors consider a credit history in the name of the applicant's spouse; requiring that creditors report a credit history in the names of both spouses; amending Minnesota Statutes 1996, section 325G.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

Delete everything after the enacting clause and insert:

"Section 1. [325G.042] [CONSUMER CREDIT; EQUAL TREATMENT OF SPOUSES.]

Subdivision 1. [CONSIDERATION REQUIRED; SPOUSAL CREDIT HISTORY.] To the extent that a creditor considers credit history in evaluating the credit worthiness of similarly qualified applicants for a similar type and amount of credit, in evaluating an applicant's credit worthiness, a creditor shall consider:

(1) the credit history, when available, of accounts designated as accounts that the applicant and the applicant's spouse are permitted to use or for which both are contractually liable;

(2) at the applicant's request, any information the applicant may present that tends to indicate that the credit history being considered by the creditor does not accurately reflect the applicant's creditworthiness; and

(3) at the applicant's request, the credit history, when available, of any account reported in the name of the applicant's spouse or former spouse that the applicant can demonstrate accurately reflects the applicant's credit worthiness.

Subd. 2. [CREDIT REPORTING; EQUAL TREATMENT OF SPOUSES.] (a) A creditor that furnishes credit information shall designate:

(1) any new credit account to reflect the participation of both spouses if the applicant's spouse is contractually liable on the account, other than as a guarantor, surety, endorser, or similar party; and

(2) any existing credit account to reflect such participation, within 90 days after receiving a written request to do so from one of the spouses.

(b) If a creditor furnishes credit information to a consumer reporting agency concerning a credit account designated to reflect the participation of both spouses, the creditor shall furnish the information in a manner that will enable the agency to provide access to the information in the name of each spouse.

(c) If a creditor furnishes credit information in response to an inquiry concerning a credit account designated to reflect the participation of both spouses, the creditor shall furnish the information in the name of the spouse about whom the information is requested.

Subd. 3. [DEFENSE.] A creditor's failure to comply with this section is not a violation if it results from an inadvertent error, provided that the creditor promptly, and at no cost to the applicant or borrower, rectified the error after it was brought to the creditor's attention.

Subd. 4. [ENFORCEMENT.] (a) Enforcement of this section is under section 8.31, except that in a private cause of action under section 8.31, subdivision 3a, the damages are limited to \$1,000 and the plaintiff has no right to recover costs of investigation and attorney fees.

(b) No one may bring a private cause of action under this section unless the individual has first in good faith attempted to correct the problem with the party violating the section.

Subd. 5. [COMPLIANCE WITH FEDERAL LAW.] Compliance with the requirements of the Federal Consumer Credit Protection Act, title VII (Equal Credit Opportunity), United States Code, title 15, section 1691 et seq., as amended and the regulations promulgated under those sections dealing with the subject matter of this section, shall be deemed to be compliance with this section.

Subd. 6. [DEFINITION OF ACCOUNT.] For purposes of this section, the term "account" means an extension of consumer credit and the word "use" in relation to an account refers only to open-end credit.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1999."

Amend the title as follows:

Page 1, line 6, delete "amending"

Page 1, delete line 7

Page 1, line 8, delete "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. 2269:** A bill for an act relating to water; clarifying provisions relating to hearings of the board of water and soil resources; modifying the public review period for wetland replacement plans; requiring approval of certain wetland replacements; amending Minnesota Statutes 1996, sections 103B.231, subdivision 9; 103D.105; and 103G.2242, subdivision 8.

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

Page 3, after line 3, insert:

"Sec. 3. Minnesota Statutes 1996, section 103D.641, is amended to read:

103D.641 [WORK WITHOUT BID.]

If the managers find that the estimated cost of repair, including all fees and costs incurred for proceedings relating to it, is less than \$20,000 \$25,000, it may have the work done by contract without advertising for bids."

Page 3, lines 6 and 7, reinstate the stricken language

Page 3, line 10, after the stricken language, insert "of 15 days or more,"

Page 3, line 11, delete "and stated in the notice of application"

Page 3, after line 11, insert:

"Sec. 5. Minnesota Statutes 1997 Supplement, section 103G.2243, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS; NOTICE AND PARTICIPATION.] (a) As an alternative to the rules adopted under section 103G.2242, subdivision 1, and the public value criteria established or approved under section 103B.3355, a comprehensive wetland protection and management plan may be developed by a local government unit, or one or more local government units operating under a joint powers agreement, provided that:

(1) a notice is made at the beginning of the planning process to the board, the commissioner of natural resources, the pollution control agency, the commissioner of agriculture, local government units, and local citizens to actively participate in the development of the plan; and

(2) the plan is implemented by ordinance as part of the local government's official controls under chapter 394, for a county; chapter 462, for a city; chapter 366, for a town; and by rules adopted under chapter 103D, for a watershed district; and chapter 103B, for a watershed management organization.

(b) An organization that is invited to participate in the development of the local plan, but declines to do so and fails to participate or to provide written comments during the local review process, waives the right during board review to submit comments, except comments concerning consistency of the plan with laws and rules administered by that agency. In determining the merit of an agency comment, the board shall consider the involvement of the agency in the development of the local plan."

Page 3, line 17, delete everything after "where" and insert "replacement was begun prior to January 1, 1997,"

Page 3, line 18, delete "been replaced"



Page 3, after line 21, insert:

"Sec. 7. [WETLAND LAW CONSOLIDATION REPORT.]

By January 15, 1999, the commissioner of natural resources, in conjunction with the executive director of the board of water and soil resources, shall submit a report to the house and senate environment and natural resources committees regarding the simplification of wetland law by consolidating public waters wetlands laws with the wetlands conservation act. The report shall include a discussion of the problems and benefits of a consolidation."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing the level of exempted bids for watershed districts;"

Page 1, line 5, before "requiring" insert "providing for notice of local wetland plan development to the commissioner of agriculture;"

Page 1, line 6, after the semicolon, insert "requiring a report on wetland law consolidation;"

Page 1, line 7, before "and" insert "103D.641;"

Page 1, line 8, before the period, insert "; Minnesota Statutes 1997 Supplement, section 103G.2243, subdivision 1"

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. 2945:** A bill for an act relating to the military; entering into the interstate emergency management assistance compact; proposing coding for new law in Minnesota Statutes, chapter 192.

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. 2498:** A bill for an act relating to corrections; registration of sexual offenders; requiring certain offenders moving into Minnesota to register within five days; authorizing adult and juvenile offender registration information to be maintained together; expanding prosecutorial jurisdiction; amending Minnesota Statutes 1996, section 243.166, subdivisions 1 and 5; Minnesota Statutes 1997 Supplement, section 244.166, subdivision 4.

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

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 3095** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		3095	2688		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 3640** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3640	3220				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 3640 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3640 and insert the language after the enacting clause of S.F. No. 3220, the first engrossment; further, delete the title of H.F. No. 3640 and insert the title of S.F. No. 3220, the first engrossment.

And when so amended H.F. No. 3640 will be identical to S.F. No. 3220, and further recommends that H.F. No. 3640 be given its second reading and substituted for S.F. No. 3220, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2601** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2601	2677				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2601 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2601 and insert the language after the enacting clause of S.F. No. 2677, the first engrossment; further, delete the title of H.F. No. 2601 and insert the title of S.F. No. 2677, the first engrossment.

And when so amended H.F. No. 2601 will be identical to S.F. No. 2677, and further recommends that H.F. No. 2601 be given its second reading and substituted for S.F. No. 2677, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 668, 2078, 2245, 2136, 2269, 2945 and 2498 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 3095, 3640 and 2601 were read the second time.

### MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the names of Mses. Pappas and Higgins be added as co-authors to S.F. No. 2087. The motion prevailed.

Mr. Morse moved that the name of Mr. Laidig be added as a co-author to S.F. No. 2345. The motion prevailed.

Ms. Berglin moved that the name of Mr. Solon be added as a co-author to S.F. No. 2567. The motion prevailed.

Ms. Runbeck moved that the name of Mr. Wiger be added as a co-author to S.F. No. 3364. The motion prevailed.

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and Consent Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

**S.F. No. 2368:** A bill for an act relating to crime prevention; expressly approving an addition to the sentencing guidelines commentary.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2365:** A bill for an act relating to juvenile justice; providing that a person adjudicated as an extended jurisdiction juvenile who has a stay of execution revoked shall not receive credit for time served in a juvenile facility; amending Minnesota Statutes 1996, section 260.126, subdivision 5.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Belanger	Berglin	Cohen	Dille
Beckman	Berg	Betzold	Day	Fischbach

Flynn	Kiscaden	Marty	Pariseau	Scheid
Foley	Kleis	Metzen	Piper	Solon
Frederickson	Knutson	Moe, R.D.	Pogemiller	Spear
Hanson	Krentz	Morse	Price	Stumpf
Higgins	Laidig	Murphy	Ranum	Ten Eyck
Hottinger	Langseth	Neuville	Robertson	Vickerman
Janezich	Larson	Novak	Robling	Wiger
Johnson, D.E.	Lesewski	Oliver	Runbeck	
Johnson, J.B.	Lessard	Olson	Sams	
Kelley, S.P.	Limmer	Ourada	Samuelson	
Kelly, R.C.	Lourey	Pappas	Scheevel	

So the bill passed and its title was agreed to.

**S.F. No. 2182:** A bill for an act relating to crime; clarifying and updating the language of the harassment statutes; amending Minnesota Statutes 1996, section 609.795; Minnesota Statutes 1997 Supplement, section 609.749, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2351:** A bill for an act relating to natural resources; adding to and deleting from state parks; creating a new recreation area; providing for a state park permit exemption; amending Minnesota Statutes 1996, section 85.054, by adding a subdivision.

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

So the bill passed and its title was agreed to.

**S.F. No. 1076:** A bill for an act relating to health; requiring health plan coverage for off-label use of drugs; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

So the bill passed and its title was agreed to.

**S.F. No. 2362:** A bill for an act relating to natural resources; modifying membership of the forest resources council; amending Minnesota Statutes 1996, section 89A.03, 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2087:** A bill for an act relating to crime; authorizing a county attorney to file a juvenile petition, alleging a child to be both delinquent and in need of protection or services in cases where a child is involved in prostitution; increasing criminal penalties for certain prostitution offenses; requiring the collection of information on the investigation and prosecution of certain prostitution crimes and the use of penalty assessments imposed on prostitution offenders; requiring reports to the legislature; amending Minnesota Statutes 1996, sections 260.131, by adding a subdivision; and 609.322, subdivisions 1, 1a, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1996, sections 609.322, subdivision 3; and 609.323.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 1151:** A bill for an act relating to probate; changing provisions on appointment of guardians and conservators; amending Minnesota Statutes 1996, section 525.591.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2495:** A bill for an act relating to corrections; modifying requirement to allow inmates to participate in religious activities; providing for autopsies at correctional institutions; exempting the campus at the state juvenile correctional facility at Red Wing from the 100-bed limitation for long-term residential secure programming; including at-risk youth and girls in the Camp Ripley weekend camp; amending Minnesota Statutes 1996, sections 241.05; and 390.11, subdivision 2; Minnesota Statutes 1997 Supplement, section 242.32, subdivision 4; Laws 1997, chapter 239, article 1, section 12, subdivision 3.

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	Cohen	Frederickson	Johnson, D.H.	Knutson
Beckman	Day	Hanson	Johnson, J.B.	Krentz
Belanger	Dille	Higgins	Kelley, S.P.	Laidig
Berg	Fischbach	Hottinger	Kelly, R.C.	Langseth
Berglin	Flynn	Janezich	Kiscaden	Larson
Betzold	Foley	Johnson, D.E.	Kleis	Lesewski

Lessard	Murphy	Pariseau	Runbeck	Stumpf
Limmer	Neuville	Piper	Sams	Ten Eyck
Lourey	Novak	Pogemiller	Samuelson	Vickerman
Marty	Oliver	Price	Scheevel	Wiger
Metzen	Olson	Ranum	Scheid	
Moe, R.D.	Ourada	Robertson	Solon	
Morse	Pappas	Robling	Spear	

So the bill passed and its title was agreed to.

**S.F. No. 2574:** A bill for an act relating to regional development commissions; authorizing the headwaters regional development commission to establish a nonprofit housing corporation; proposing coding for new law in Minnesota Statutes, chapter 462.

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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Limmer voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 2734:** A bill for an act relating to commerce; regulating collection agencies; exempting out-of-state agencies from regulation; amending Minnesota Statutes 1996, section 332.31, subdivisions 3, 6, and by adding a subdivision.

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 58 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mses. Berglin and Flynn voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 2426:** A bill for an act relating to health; increasing the maximum financial reserves

permitted for health maintenance organizations; removing misleading related language; amending Minnesota Statutes 1996, section 62D.042, subdivision 2; repealing Minnesota Statutes 1997 Supplement, section 62D.042, subdivision 3.

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

So the bill passed and its title was agreed to.

**S.F. No. 2699:** A resolution memorializing the Congress of the United States to remove Medicaid policy barriers to employment for people with disabilities.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Belanger voted in the negative.

So the resolution passed and its title was agreed to.

**S.F. No. 3092:** A bill for an act relating to prescription drugs; requiring the dispensing of ephedrine through prescription; restricting the sale, marketing, and possession of ephedrine; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 152.

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

So the bill passed and its title was agreed to.

**S.F. No. 2669:** A bill for an act relating to human services; allowing greater use of arrangements with businesses when providing day training and habilitation services; directing the commissioner of human services to develop a more flexible rate variance mechanism for day training habilitation services vendors; amending Minnesota Statutes 1996, section 252.451, subdivision 5.

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

So the bill passed and its title was agreed to.

**S.F. No. 3118:** A bill for an act relating to natural resources; modifying provisions for a timber permit extension; amending Minnesota Statutes 1996, section 90.193.

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

So the bill passed and its title was agreed to.

**S.F. No. 2892:** A bill for an act relating to state lands; modifying the terms of a tax-forfeited land sale in Carlton county; authorizing the private sale of certain land in Aitkin county; authorizing the conveyance of certain state land to the city of Faribault; authorizing the public sale of certain tax-forfeited land that borders public water in Douglas county; amending Laws 1997, chapter 207, section 7.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2354:** A bill for an act relating to employee relations; modifying provisions governing the public employees insurance program; amending Minnesota Statutes 1996, section 43A.316, 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	Higgins	Laidig	Novak	Sams
Beckman	Hottinger	Langseth	Oliver	Samuelson
Belanger	Janezich	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Ourada	Scheid
Berglin	Johnson, D.H.	Lessard	Pappas	Solon
Betzold	Johnson, D.J.	Limmer	Pariseau	Spear
Cohen	Johnson, J.B.	Lourey	Piper	Stevens
Dille	Kelley, S.P.	Marty	Pogemiller	Stumpf
Fischbach	Kelly, R.C.	Metzen	Price	Ten Eyck
Flynn	Kiscaden	Moe, R.D.	Ranum	Vickerman
Foley	Kleis	Morse	Robertson	Wiger
Frederickson	Knutson	Murphy	Robling	
Hanson	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 2373:** A bill for an act relating to civil commitment; modifying provisions governing release on pass for persons committed as mentally ill and dangerous; allowing temporary jail confinement of persons subject to commitment as sexual psychopathic personalities or sexually dangerous persons; clarifying various provisions and making conforming and technical amendments; amending Minnesota Statutes 1996, sections 253B.15, subdivision 9; and 253B.185, by adding a subdivision; Minnesota Statutes 1997 Supplement, sections 253B.03, subdivision 7; 253B.045, subdivisions 2 and 3; 253B.05, subdivision 3; 253B.07, subdivisions 5 and 7; 253B.09,

subdivision 1; 253B.092, subdivisions 6 and 8; 253B.0921; 253B.095, subdivision 3; 253B.12, subdivision 1; 253B.141, subdivision 1; 253B.15, subdivisions 2, 3, 3a, 3b, and 5; 253B.18, subdivisions 4a and 5; and 253B.19, subdivision 3.

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

So the bill passed and its title was agreed to.

**H.F. No. 2590:** A bill for an act relating to landlords and tenants; correcting a reference relating to certain civil penalties; providing for interest rates on security deposits; amending Minnesota Statutes 1996, sections 504.183, subdivision 6; and 504.20, 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	Higgins	Laidig	Oliver	Samuelson
Beckman	Hottinger	Langseth	Olson	Scheevel
Belanger	Janezich	Larson	Ourada	Scheid
Berg	Johnson, D.E.	Lesewski	Pappas	Solon
Berglin	Johnson, D.H.	Lessard	Pariseau	Spear
Betzold	Johnson, D.J.	Limmer	Piper	Stevens
Cohen	Johnson, J.B.	Lourey	Pogemiller	Stumpf
Dille	Kelley, S.P.	Metzen	Price	Ten Eyck
Fischbach	Kelly, R.C.	Moe, R.D.	Ranum	Vickerman
Flynn	Kiscaden	Morse	Robertson	Wiger
Foley	Kleis	Murphy	Robling	
Frederickson	Knutson	Neuville	Runbeck	
Hanson	Krentz	Novak	Sams	

So the bill passed and its title was agreed to.

**S.F. No. 3063:** A bill for an act relating to state lands; authorizing the public sale of certain tax-forfeited land that borders public water in Mower county.

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	Belanger	Berglin	Cohen	Fischbach
Beckman	Berg	Betzold	Dille	Flynn

Foley	Kelly, R.C.	Lourey	Pappas	Scheevel
Frederickson	Kiscaden	Marty	Pariseau	Scheid
Hanson	Kleis	Metzen	Piper	Solon
Higgins	Knutson	Moe, R.D.	Pogemiller	Spear
Hottinger	Krentz	Morse	Price	Stevens
Janezich	Laidig	Murphy	Ranum	Stumpf
Johnson, D.E.	Langseth	Neuville	Robertson	Ten Eyck
Johnson, D.H.	Larson	Novak	Robling	Vickerman
Johnson, D.J.	Lesewski	Oliver	Runbeck	Wiger
Johnson, J.B.	Lessard	Olson	Sams	
Kelley, S.P.	Limmer	Ourada	Samuelson	

So the bill passed and its title was agreed to.

**S.F. No. 2609:** A bill for an act relating to public administration; providing for design-build contracts; amending Minnesota Statutes 1996, sections 16B.31, subdivision 1; and 16B.33, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Limmer voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 481:** A bill for an act relating to human services; establishing threshold limits for rehabilitative and therapeutic services covered under medical assistance.

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 60 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Belanger voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 2729:** A bill for an act relating to highways; allowing advertisements, public art, and informational signs to be placed on bicycle racks and bicycle storage facilities on highway right-of-way; amending Minnesota Statutes 1996, section 160.27, subdivision 5, and by adding a subdivision.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2199:** A bill for an act relating to crime; requiring professional bail bonding agents who perform bail bond enforcement services to be licensed as private detectives; clarifying an exemption to the private detective and protective agent licensing provisions; amending Minnesota Statutes 1996, sections 326.3341; and 326.338, 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 48 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Oliver	Scheid
Beckman	Johnson, D.E.	Larson	Ourada	Solon
Belanger	Johnson, D.H.	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Lourey	Piper	Stumpf
Cohen	Johnson, J.B.	Marty	Pogemiller	Ten Eyck
Dille	Kelley, S.P.	Metzen	Price	Vickerman
Foley	Kelly, R.C.	Moe, R.D.	Robling	Wiener
Hanson	Knutson	Morse	Runbeck	Wiger
Higgins	Krentz	Murphy	Sams	
Hottinger	Laidig	Novak	Scheevel	

Those who voted in the negative were:

Berg	Flynn	Kleis	Neuville	Robertson
Berglin	Frederickson	Lesewski	Olson	Samuelson
Day	Kiscaden	Limmer	Pariseau	Stevens
Fischbach				

So the bill passed and its title was agreed to.

**S.F. No. 2663:** A bill for an act relating to crime; expanding the stalking and harassment law to include certain acts involving injury to reputation; providing enhanced penalties for harassment of a peace officer in retaliation for the officer's performance of official duties in connection with a criminal investigation; amending Minnesota Statutes 1996, section 609.749, subdivision 3; Minnesota Statutes 1997 Supplement, section 609.749, 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 56 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kiscaden	Neuville	Pariseau	Scheevel	Stevens
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So the bill passed and its title was agreed to.

**S.F. No. 1001:** A bill for an act relating to professions; providing immunity for activities of the board of psychology; amending Minnesota Statutes 1996, section 148.941, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 148.

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 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Limmer voted in the negative.

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 2846:** A bill for an act relating to controlled substances; delaying the effective date for listing the drug Carisoprodol as a controlled substance; amending Laws 1997, chapter 239, article 4, section 15.

Mr. Kelly, R.C. moved that S.F. No. 2846 be stricken and placed on General Orders. The motion prevailed.

**RECESS**

Mr. Moe, R.D. moved that the Senate do now recess until 10:55 a.m. The motion prevailed. The hour of 10:55 a.m. having arrived, the President called the Senate to order.

**CALL OF THE SENATE**

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 3353 a Special Order to be heard immediately.

**SPECIAL ORDER**

**S.F. No. 3353:** A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; providing for regulation of certain activities and practices; amending Minnesota Statutes 1996, sections 3.737, subdivisions 1 and 4; 41A.09, subdivision 1a; 84.83, subdivision 3; 84.871; 84.943, subdivision 3; 86B.415, by adding a subdivision; 97A.037, subdivision 1; 97A.245; 103C.315, subdivision 4; 103F.155, subdivision 2; 103F.161, subdivision 2; 103G.271, subdivision 6; 115B.175, subdivision 3; and 116.07, subdivision 4h; Minnesota Statutes 1997 Supplement, sections 17.101, subdivision 5; 41A.09, subdivision 3a; 84.8205; 84.86, subdivision 1; and 97A.485, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 32; repealing Minnesota Statutes 1997 Supplement, section 85.015, subdivision 1c; Laws 1991, chapter 275, section 3.

Mr. Morse moved to amend S.F. No. 3353 as follows:

Page 6, after line 3, insert:

"\$2,000,000 in fiscal year 1999 is for grants to soil and water conservation districts for cost-sharing contracts for water quality management on dairy facility feedlots. This appropriation is available until expended."

Correct the subdivision and section totals and the summaries by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Wiger moved to amend SF. No. 3353 as follows:

Pages 11 to 14, delete sections 13 and 14

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Laidig moved to amend the Wiger amendment to S.F. No. 3353 as follows:

Page 1, after line 1, insert:

"Page 3, line 36, delete "\$75,000"

Page 3, delete lines 37 to 44"

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Wiger amendment.

The roll was called, and there were yeas 49 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Krentz	Oliver	Samuelson
Beckman	Johnson, D.E.	Langseth	Olson	Scheevel
Berg	Johnson, D.H.	Larson	Ourada	Solon
Betzold	Johnson, D.J.	Lesewski	Pappas	Stumpf
Day	Johnson, J.B.	Lessard	Pariseau	Ten Eyck
Fischbach	Kelley, S.P.	Limmer	Price	Terwilliger
Foley	Kelly, R.C.	Marty	Ranum	Vickerman
Frederickson	Kiscaden	Metzen	Robertson	Wiener
Hanson	Kleis	Neuville	Robling	Wiger
Higgins	Knutson	Novak	Runbeck	

Those who voted in the negative were:

Belanger	Dille	Laidig	Morse	Sams
Berglin	Flynn	Lourey	Piper	Spear
Cohen	Hottinger	Moe, R.D.	Pogemiller	Stevens

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 3353 as follows:

Page 8, after line 52, insert:

"\$25,000 in fiscal year 1998 is for a grant to the University of Minnesota to study the cause of depredation on farms suffering significant wolf depredation problems. This appropriation is available until June 30, 1999."

Page 9, line 39, before the period, insert "and any deficiencies in the owner's adoption of the best management practices developed in subdivision 5"

Page 10, line 4, before "If" insert "(a)"

Page 10, line 10, before "If" insert "(b) For a wolf depredation claim submitted by a livestock owner after January 1, 1999, the commissioner shall, based on the report from the university extension agent and conservation officer, evaluate the claim for conformance with the best management practices developed by the commissioner in subdivision 5. The commissioner must provide to the livestock owner an itemized list of any deficiencies in the livestock owner's adoption of best management practices that were noted in the county extension agent's or conservation officer's report. For second and subsequent claims by a livestock owner after January 1, 1999, the commissioner shall deny the claim, unless the livestock owner has adopted the best management practices developed in subdivision 5."

(c)"

Page 10, line 16, before "A" insert "(d)"

Page 10, after line 25, insert:

"Sec. 12. Minnesota Statutes 1996, section 3.737, is amended by adding a subdivision to read:

Subd. 5. [WOLF BEST MANAGEMENT PRACTICES.] By January 1, 1999, the commissioner must develop best management practices to prevent wolf depredation on livestock farms. The commissioner shall periodically update the best management practices when new practices are found by the commissioner to prevent wolf depredation on livestock farms. The commissioner must provide an updated copy of the best management practices for wolf depredation to all livestock owners who have previously submitted livestock claims under this section."



Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Morse moved to amend the Laidig amendment to S.F. No. 3353 as follows:

Page 1, line 22, delete everything after the period

Page 1, delete lines 23 to 26

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Laidig amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Ms. Anderson moved to amend S.F. No. 3353 as follows:

Page 8, after line 52, insert:

"As a condition of receiving state funds, the ethanol production plant in St. Paul must provide year-round public access to the well that was publicly accessible when the plant was a brewery."

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 3353 as follows:

Page 22, line 24, after the period, insert "A road authority may permit a person operating a snowmobile with metal traction devices to cross a hard-surfaced road and may impose restrictions on the means of crossing that reduce damage to the road."

The motion prevailed. So the amendment was adopted.

Mr. Scheevel moved to amend S.F. No. 3353 as follows:

Page 2, delete lines 52 to 55

Correct the subdivision and section totals and the summaries by fund accordingly

### CALL OF THE SENATE

Mr. Morse imposed a call of the Senate for the balance of the proceedings on the Scheevel amendment to S.F. No. 3353. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Scheevel withdrew his amendment.

Mr. Dille moved to amend S.F. No. 3353 as follows:

Page 2, delete lines 52 to 55

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 46, as follows:

Those who voted in the affirmative were:

Berg

Dille

Johnson, D.E.

Kleis

Larson

Lesewski  
Oliver

Olson  
Pariseau

Robling  
Sams

Stevens  
Terwilliger

Vickerman

Those who voted in the negative were:

Anderson  
Beckman  
Belanger  
Berglin  
Betzold  
Cohen  
Day  
Fischbach  
Flynn  
Foley

Frederickson  
Hanson  
Higgins  
Hottinger  
Janezich  
Johnson, D.H.  
Johnson, D.J.  
Johnson, J.B.  
Kelley, S.P.  
Kelly, R.C.

Kiscaden  
Knutson  
Krentz  
Laidig  
Limmer  
Lourey  
Marty  
Metzen  
Moe, R.D.  
Morse

Murphy  
Neuville  
Novak  
Pappas  
Piper  
Pogemiller  
Price  
Ranum  
Samuelson  
Scheevel

Scheid  
Solon  
Spear  
Ten Eyck  
Wiener  
Wiger

The motion did not prevail. So the amendment was not adopted.

Mrs. Pariseau moved to amend S.F. No. 3353 as follows:

Page 32, after line 30, insert:

"Sec. 32. Minnesota Statutes 1996, section 116.49, is amended by adding a subdivision to read:

Subd. 3. [ABOVEGROUND STORAGE TANK RULES.] After the effective date of this section, any new rules or amendments to existing rules that are proposed by the agency with respect to aboveground storage tanks must be submitted to the legislative committees with jurisdiction over the environment within one week of publishing the notice of intent to adopt rules in the State Register. The rules may become effective no earlier than 90 days or the March 15 following the submittal, whichever is later, except that if the submittal occurs between the date of adjournment of the legislature and the following February 1, and the rules are adopted following a public hearing, the rules may become effective no earlier than March 15 of the year following February 1.

Sec. 33. [REPORT.]

No later than July 1, 1998, the pollution control agency shall submit a report to the legislative committees with jurisdiction over the environment which identifies all petroleum facilities in the state with greater than 1,000,000 gallons total capacity, the status of any permit applications at such facilities, and any known pollution or contamination problems and related cleanup plans or cleanup efforts at such facilities."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Morse moved to amend the Pariseau amendment to S.F. No. 3353 as follows:

Page 1, line 6, after the comma, insert "and until December 31, 1999,"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Pariseau amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 3353 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson  
Beckman  
Belanger  
Berglin

Betzold  
Cohen  
Day  
Dille

Fischbach  
Flynn  
Foley  
Frederickson

Hanson  
Higgins  
Hottinger  
Janezich

Johnson, D.E.  
Johnson, D.H.  
Johnson, D.J.  
Johnson, J.B.

Kelley, S.P.	Larson	Novak	Ranum	Spear
Kelly, R.C.	Lourey	Oliver	Robling	Stumpf
Kiscaden	Marty	Pappas	Runbeck	Ten Eyck
Knutson	Metzen	Pariseau	Sams	Terwilliger
Krentz	Moe, R.D.	Piper	Samuelson	Vickerman
Laidig	Morse	Pogemiller	Scheid	Wiener
Langseth	Murphy	Price	Solon	Wiger

Those who voted in the negative were:

Berg	Lesewski	Neuville	Robertson	Stevens
Kleis	Limmer	Olson	Scheevel	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 3346 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 3346:** A bill for an act relating to human services; appropriating money; changing provisions for long-term care, health care programs and provisions, including MA and GAMC, MinnesotaCare, welfare reform, and regional treatment centers; imposing penalties; amending Minnesota Statutes 1996, sections 119B.24; 144.701, subdivisions 1, 2, and 4; 144.702, subdivisions 1, 2, and 8; 144A.09, subdivision 1; 144A.44, subdivision 2; 214.03; 245.462, subdivisions 4 and 8; 245.4871, subdivision 4; 245A.03, by adding a subdivision; 245A.14, subdivision 4; 256.014, subdivision 1; 256.969, subdivisions 16 and 17; 256B.03, subdivision 3; 256B.04, by adding a subdivision; 256B.055, subdivision 7, and by adding a subdivision; 256B.057, subdivision 3a, and by adding subdivisions; 256B.0625, subdivisions 17, 20, 34, and by adding a subdivision; 256B.0627, subdivision 4; 256B.0911, subdivision 4; 256B.0916; 256B.41, subdivision 1; 256B.431, subdivisions 2b, 4, 11, 22, and by adding a subdivision; 256B.501, subdivision 2; 256B.69, by adding subdivisions; 256D.03, subdivision 4, and by adding subdivisions; 256D.051, by adding a subdivision; 256D.46, subdivision 2; 256I.04, subdivisions 1, 3, and by adding a subdivision; and 256I.05, subdivision 2; Minnesota Statutes 1997 Supplement, sections 60A.15, subdivision 1; 62J.685; 62J.69, subdivisions 1, 2, and by adding a subdivision; 62J.75; 103I.208, subdivision 2; 144.1494, subdivision 1; 144A.071, subdivision 4a; 171.29, subdivision 2; 214.32, subdivision 1; 245B.06, subdivision 2; 256.01, subdivision 2; 256.031, subdivision 6; 256.9657, subdivision 3; 256.9685, subdivision 1; 256.9864; 256B.04, subdivision 18; 256B.056, subdivisions 1a and 4; 256B.06, subdivision 4; 256B.062; 256B.0625, subdivision 31a; 256B.0627, subdivision 5; 256B.0645; 256B.0911, subdivisions 2 and 7; 256B.0913, subdivision 14; 256B.0915, subdivisions 1d and 3; 256B.0951, by adding a subdivision; 256B.431, subdivisions 3f and 26; 256B.433, subdivision 3a; 256B.434, subdivision 10; 256B.69, subdivisions 2 and 3a; 256B.692, subdivisions 2 and 5; 256B.77, subdivisions 3, 7a, 10, and 12; 256D.05, subdivision 8; 256J.02, subdivision 4; 256J.03; 256J.08, subdivisions 11, 26, 28, 40, 60, 68, 73, 83, and by adding subdivisions; 256J.09, subdivisions 6 and 9; 256J.11, subdivision 2, as amended; 256J.12; 256J.14; 256J.15, subdivision 2; 256J.20, subdivisions 2 and 3; 256J.21; 256J.24, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256J.26, subdivisions 1, 2, 3, and 4; 256J.28, subdivisions 1, 2, and by adding a subdivision; 256J.30, subdivisions 10 and 11; 256J.31, subdivisions 5 and 10; 256J.32, subdivisions 4, 6, and by adding a subdivision; 256J.33, subdivisions 1 and 4; 256J.35; 256J.36; 256J.37, subdivisions 1, 2, 9, and by adding subdivisions; 256J.38, subdivision 1; 256J.39, subdivision 2; 256J.395; 256J.42; 256J.43; 256J.45, subdivisions 1, 2, and by adding a subdivision; 256J.46, subdivisions 1, 2, and 2a; 256J.47, subdivision 4; 256J.48, subdivisions 2, 3, and by adding a subdivision; 256J.49, subdivision 4; 256J.50, subdivision 5, and by adding a subdivision; 256J.52, subdivision 4; 256J.54, subdivisions 2, 3, 4, and 5; 256J.55, subdivision 5; 256J.56; 256J.57, subdivision 1; 256J.645, subdivision 3; 256J.74, subdivision 2, and by adding a subdivision; 256K.03, subdivision 5; 256L.01; 256L.02, subdivisions 2 and 3; 256L.03, subdivisions 1, 3, 4, 5, and by adding subdivisions; 256L.04, subdivisions 1, 2, 7, 8, 9, 10, and by adding subdivisions; 256L.05, subdivisions 2, 3, 4, and by adding subdivisions; 256L.06, subdivision 3; 256L.07; 256L.09, subdivisions 2, 4, and 6; 256L.11, subdivision 6; 256L.12, subdivision 5; 256L.15; 256L.17, by adding a subdivision; and 270A.03, subdivision 5; Laws 1997, chapter 203, article 4, section 64; and article 9, section 21; chapter 225,

article 2, section 64; and chapter 248, section 46, as amended; proposing coding for new law in Minnesota Statutes, chapters 144; 256; 256B; 256D; and 256J; repealing Minnesota Statutes 1996, sections 144.0721, subdivision 3a; 256.031, subdivisions 1, 2, 3, and 4; 256.032; 256.033, subdivisions 2, 3, 4, 5, and 6; 256.034; 256.035; 256.036; 256.0361; 256.047; 256.0475; 256.048; 256.049; and 256B.501, subdivision 3g; Minnesota Statutes 1997 Supplement, sections 62J.685; 144.0721, subdivision 3; 256.031, subdivisions 5 and 6; 256.033, subdivisions 1 and 1a; 256B.057, subdivision 1a; 256B.062; 256B.0913, subdivision 15; 256J.25; 256J.28, subdivision 4; 256J.32, subdivision 5; 256J.34, subdivision 5; 256J.76; 256L.04, subdivisions 3, 4, 5, and 6; 256L.06, subdivisions 1 and 2; 256L.08; 256L.09, subdivision 3; 256L.13; and 256L.14; Laws 1997, chapter 85, article 1, sections 61 and 71; and article 3, section 55; Minnesota Rules (Exempt), parts 9500.9100; 9500.9110; 9500.9120; 9500.9130; 9500.9140; 9500.9150; 9500.9160; 9500.9170; 9500.9180; 9500.9190; 9500.9200; 9500.9210; and 9500.9220.

Ms. Berglin moved to amend S.F. No. 3346 as follows:

Page 187, after line 11, insert:

"Sec. 39. [256L.19] [TRANSITION POOL FOR MINNESOTACARE ENROLLEES.]

Subdivision 1. [CREATION.] The commissioner of human services shall create a purchasing pool for MinnesotaCare enrollees whose income is at or above 275 percent of the federal poverty guidelines.

Subd. 2. [HEALTH PLAN COVERAGE.] Any managed care plan that participates in the MinnesotaCare program through a contract with the department of human services must offer a group product to the pool established under subdivision 1 with guaranteed issuance and with a waiver of any preexisting condition limitations. The coverage offered must be equivalent to a qualified benefit plan under section 62E.06 offered by a health maintenance organization.

Subd. 3. [RATES.] (a) The rates offered for this coverage must meet the requirements of section 62L.08.

(b) All premiums for this coverage shall be the responsibility of the enrollee. No state subsidies shall be provided."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 3346 as follows:

Page 179, line 9, strike the old language

Page 179, line 10, delete the new language and strike the old language

Page 179, line 11, strike the old language

Page 179, line 12, delete the new language and strike the old language

Page 179, line 13, strike the old language and insert " Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 175 percent of the federal poverty guidelines are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual, determined over a four-month period as required by section 256L.08, exceeds program income limits."

Page 186, lines 23 to 28, delete the new language

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend S.F. No. 3346 as follows:

Page 4, line 56, delete "under"

Page 4, delete line 57

Page 4, line 59, delete "under Minnesota Statutes,"

Page 4, line 60, delete "section 257.0711,"

Page 8, lines 25, 32, and 42, after the period, insert "Notwithstanding section 7, this paragraph shall not expire."

Page 35, delete section 19 and insert:

"Sec. 19. [ADVICE AND RECOMMENDATIONS.]

The commissioners of health and commerce shall convene an ad hoc advisory panel of selected representatives of health plan companies, purchasers, and provider groups engaged in the practice of health care in Minnesota, and interested legislators. This advisory panel shall meet and assist the commissioners in developing measures to prevent discrimination against providers and provider groups in managed care in Minnesota and clarify the requirements of Minnesota Statutes, section 62Q.23, paragraph (c). Any such measures shall be reported to the legislature prior to November 15, 1998.

Sec. 20. [EFFECTIVE DATE.]

Section 19 is effective the day following final enactment."

Page 61, delete lines 17 to 22

Page 63, after line 10, insert:

"(g) For the rate year beginning July 1, 1998, a nursing facility in Canby, Minnesota, licensed for 75 beds shall be reimbursed without the limitation imposed under subdivision 26, paragraph (a), and for rate years beginning on or after July 1, 1999, its base costs shall be calculated on the basis of its September 30, 1997, cost report."

Page 63, line 11, delete "(g)" and insert "(h)"

Page 63, line 12, delete "(h) and (i)" and insert "(i) and (j)"

Page 63, line 15, delete "(h)" and insert "(i)"

Page 63, line 27, delete "(i)" and insert "(j)"

Page 180, line 26, delete "has" and insert "have" and delete "is" and insert "are"

Page 186, line 23, delete everything after "income" and insert "increases above"

Page 186, line 24, delete "less than"

Page 278, line 1, delete "96" and insert "98"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend S.F. No. 3346 as follows:

Page 281, after line 27, insert:

"ARTICLE 8

## COMPULSIVE GAMBLING

## Section 1. [245.982] [PROGRAM SUPPORT.]

In order to address the problem of gambling in this state, the compulsive gambling fund should attempt to assess the beneficiaries of gambling, on a percentage basis according to the revenue they receive from gambling, for the costs of programs to help problem gamblers and their families. In that light, the governor is requested to contact the chairs of the 11 tribal governments in this state and request a contribution of funds for the compulsive gambling program. The governor should seek a total supplemental contribution of \$643,000. Funds received from the tribal governments in this state shall be deposited in the Indian gaming revolving account to offset the appropriations contained in section 9.

## Sec. 2. [245.983] [PUBLIC AWARENESS.]

The commissioner of human services shall establish a public service campaign using program funds and leveraging media contributions to create public awareness of the problems associated with gambling. This public service campaign should operate in conjunction with other prevention efforts of the compulsive gambling program.

## Sec. 3. Minnesota Statutes 1996, section 609.115, subdivision 9, is amended to read:

Subd. 9. [COMPULSIVE GAMBLING ASSESSMENT REQUIRED.] (a) If a person is convicted of a felony for theft under section 609.52, embezzlement of public funds under section 609.54, or forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in the report prepared under subdivision 1 whether or not compulsive gambling contributed to the commission of the offense. If so, the report shall contain the results of a compulsive gambling assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the offender to undergo the assessment if so indicated.

(b) The compulsive gambling assessment report must include a recommended level of treatment for the offender if the assessor concludes that the offender is in need of compulsive gambling treatment. The assessment must be conducted by an assessor qualified under section 245.98, subdivision 2a, to perform these assessments or to provide compulsive gambling treatment. An assessor providing a compulsive gambling assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor with a financial interest or referral relationship as authorized under rules adopted by the commissioner of human services under section 245.98, subdivision 2a.

(c) The commissioner of human services shall reimburse the assessor for the costs associated with a compulsive gambling assessment at a rate established by the commissioner up to a maximum of \$100 for each assessment. The commissioner shall reimburse these costs after receiving written verification from the probation officer that the assessment was performed and found acceptable.

## Sec. 4. Laws 1994, chapter 633, article 7, section 3, is amended to read:

## Sec. 3. [INDIAN GAMING REVOLVING ACCOUNT.]

The attorney general Indian tribal governments and the Minnesota state lottery shall deposit in a separate account in the state treasury all money received from Indian tribal governments and the state lottery for the purpose of defraying the attorney general's costs in providing legal services with respect to Indian gaming. Money in the account is appropriated to the attorney general for that purpose contributing to the compulsive gambling program.

## Sec. 5. [PREVALENCE STUDY.]

The compulsive gambling program shall provide baseline prevalence studies to identify those at highest risk of developing a compulsive gambling problem, including a replication in 1999 of the 1994 adult prevalence survey.

## Sec. 6. [BANKRUPTCY STUDY.]

The commissioner of human services, in consultation with the attorney general and commissioner of commerce, shall study changes in financial, bankruptcy, and credit laws that would protect innocent victims who are financially linked to a compulsive gambler, and shall report to the legislature by December 15, 1998.

## Sec. 7. [EXTENDING ASSESSMENTS TO BANKRUPTCY AND FAMILY COURT PROCEEDINGS.]

The commissioner of human services shall study whether problem gambling assessments should be provided or required for individuals involved in bankruptcy or family court proceedings, and report to the legislature by December 15, 1998.

## Sec. 8. [HEALTH CARE.]

The commissioners of health and commerce shall report to the legislature by December 15, 1998, on whether compulsive gambling treatment should be considered a addictive disorder treatment under current health care statutes.

## Sec. 9. [COMPULSIVE GAMBLING APPROPRIATIONS.]

In addition to any other appropriations, \$332,000 is appropriated in fiscal year 1999 from the Minnesota lottery prize fund for the compulsive gambling program. In addition, up to \$643,000 is appropriated from the lottery prize fund to the compulsive gambling program if funds required under Minnesota Statutes, section 245.982, are not available. The funds are appropriated from the Indian gaming revolving account to the commissioner of human services, unless otherwise specified below.

Of the funds appropriated under this section, \$670,000 in fiscal year 1999 is appropriated to the commissioner of human services for the establishment of fee-for-service projects. Fee-for-service funds under this appropriation may be awarded on a per-client basis to existing treatment centers and may be in addition to grants the centers currently receive. Baseline grants based on the last fiscal year client numbers and units of services provided constitute minimum appropriations to existing treatment centers, and upon meeting the contracted level of services, the treatment centers are eligible for fee-for-service funds on a per-client basis in addition to grants.

Of the funds appropriated under this section, \$20,000 in fiscal year 1999 is appropriated to the commissioner of human services for purposes of the bankruptcy study under section 6 and the bankruptcy and family court assessment study under section 7, and \$10,000 in fiscal year 1999 is appropriated to the commissioner of health for purposes of the health care study under section 8.

Of the funds appropriated under this section, \$225,000 in fiscal year 1999 is appropriated for the operation of prevention and education programs aimed at helping adult and adolescent gamblers, and for the completion of a prevalence study replication; of the appropriation under this paragraph, up to \$50,000 may be appropriated to the commissioner of human services for purposes of the public awareness campaign under section 2.

Of the funds appropriated under this section, \$50,000 in fiscal year 1999 is appropriated for operation of the hotline."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend S.F. No. 3346 as follows:

Page 281, after line 27, insert:

"ARTICLE 8  
COMPULSIVE GAMBLING

## Section 1. [APPROPRIATION.]

Subdivision 1. [PROJECT TURNABOUT.] \$500,000 is appropriated for fiscal year 1999 to the commissioner of human services from the Minnesota lottery prize fund to be used for Project Turnabout in Granite Falls. This appropriation shall not become part of the base appropriation for the 2000-2001 biennium.

Subd. 2. [LOCAL MATCH.] There must be a local match before money appropriated is released by the commissioner to Project Turnabout. The facility shall receive state funds equal to the amount of local matching funds received."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend S.F. No. 3346 as follows:

Page 15, line 47, after the period, insert "The appropriation of the funds under this paragraph must comply with the same requirements specified for the allocation of the grants under Minnesota Statutes, section 145.925."

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend S.F. No. 3346 as follows:

Page 281, after line 27, insert:

## "ARTICLE 8

## MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1997 Supplement, section 461.18, subdivision 1, is amended to read:

Subdivision 1. [EXCEPT IN ADULT-ONLY FACILITIES.] (a) No person shall offer for sale ~~single packages of cigarettes packaged in units smaller than a carton containing ten packages or single packages of smokeless tobacco in open displays which are accessible to the public without the intervention of a store employee.~~

~~(b) Cartons and other multipack units may be offered and sold through open displays accessible to the public.~~

~~(c) Paragraph (b) expires on August 28, 1997.~~

~~(d) This subdivision shall not apply to retail stores which derive at least 90 percent of their revenue from tobacco and tobacco-related products and which cannot be entered at any time by persons younger than 18 years of age.~~

## Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective after June 30, 1998."

Amend the title accordingly

Mr. Samuelson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Ms. Pappas moved to amend S.F. No. 3346 as follows:

Page 19, line 14, before "dentists," insert "doctors of chiropractic, doctors of optometry,"

Ms. Pappas then moved to amend the Pappas amendment to S.F. No. 3346 as follows:

Page 1, line 3, delete "doctors of optometry,"



The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Pappas amendment, as amended.

The roll was called, and there were yeas 54 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Ourada	Samuelson
Beckman	Higgins	Laidig	Pappas	Scheevel
Belanger	Hottinger	Lesewski	Pariseau	Scheid
Berg	Janezich	Limmer	Piper	Solon
Cohen	Johnson, D.E.	Marty	Pogemiller	Stevens
Day	Johnson, D.H.	Metzen	Price	Stumpf
Dille	Johnson, D.J.	Moe, R.D.	Ranum	Ten Eyck
Fischbach	Johnson, J.B.	Morse	Robertson	Terwilliger
Flynn	Kelly, R.C.	Neuville	Robling	Vickerman
Foley	Kleis	Oliver	Runbeck	Wiger
Frederickson	Knutson	Olson	Sams	

Those who voted in the negative were:

Berglin	Kelley, S.P.	Lourey	Spear	Wiener
Betzold	Kiscaden			

The motion prevailed. So the Pappas amendment, as amended, was adopted.

Mrs. Fischbach moved to amend S.F. No. 3346 as follows:

Page 15, line 19, delete "\$3,000,000" and insert "\$3,250,000"

Page 15, lines 21, 26, 30, and 34, delete "\$750,000" and insert "\$812,500"

Page 15, delete lines 41 to 47

Correct the subdivision and section totals and the summaries by fund accordingly

### CALL OF THE SENATE

Mr. Samuelson imposed a call of the Senate for the balance of the proceedings on S.F. No. 3346. The Sergeant at Arms was instructed to bring in the absent members.

Mrs. Fischbach moved to amend the Fischbach amendment to S.F. No. 3346 as follows:

Page 1, delete lines 2 to 5

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Samuelson requested division of the first Fischbach amendment as follows:

First portion:

Page 15, line 19, delete "\$3,000,000" and insert "\$3,250,000"

Page 15, lines 21, 26, 30, and 34, delete "\$750,000" and insert "\$812,500"

Correct the subdivision and section totals and the summaries by fund accordingly

Second portion:

Page 15, delete lines 41 to 47

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the second portion of the Fischbach amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Laidig	Olson	Samuelson
Belanger	Hanson	Larson	Ourada	Scheevel
Berg	Johnson, D.E.	Lesewski	Pariseau	Stevens
Day	Johnson, D.J.	Lessard	Robling	Stumpf
Dille	Kleis	Limmer	Runbeck	Vickerman
Fischbach	Knutson	Neuville	Sams	

Those who voted in the negative were:

Anderson	Hottinger	Langseth	Oliver	Scheid
Berglin	Janezich	Lourey	Pappas	Solon
Betzold	Johnson, D.H.	Marty	Piper	Spear
Cohen	Johnson, J.B.	Metzen	Pogemiller	Ten Eyck
Flynn	Kelley, S.P.	Moe, R.D.	Price	Terwilliger
Foley	Kiscaden	Morse	Ranum	Wiener
Higgins	Krentz	Murphy	Robertson	Wiger

The motion did not prevail. So the amendment was not adopted.

Mrs. Fischbach withdrew the first portion of her amendment.

Mr. Limmer moved to amend S.F. No. 3346 as follows:

Page 33, after line 20, insert:

"Sec. 16. [145.926] [ABSTINENCE EDUCATION GRANT PROGRAM.]

The commissioner of health shall expend federal funds for abstinence education programs provided under United States Code, title 42, section 710, and state matching funds for abstinence education programs only to an abstinence education program that has all of the following components:

(1) the exclusive purpose of teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

(2) teaching abstinence from sexual activity outside of marriage as the expected standard for all school-age children;

(3) teaching that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

(4) teaching that a mutually faithful, monogamous relationship in the context of marriage is the expected standard of human sexual activity;

(5) teaching that sexual activity outside of marriage is likely to have harmful psychological and physical effects;

(6) teaching that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

(7) teaching young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

(8) teaching the importance of attaining self-sufficiency before engaging in sexual activity."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Hottinger questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

Mr. Limmer withdrew his amendment.

Mr. Samuelson moved to amend S.F. No. 3346 as follows:

Page 95, after line 30, insert:

"Sec. 20. Minnesota Statutes 1996, section 256B.0625, subdivision 7, is amended to read:

Subd. 7. [PRIVATE DUTY NURSING.] Medical assistance covers private duty nursing services in a recipient's home. Recipients who are authorized to receive private duty nursing services in their home may use approved hours outside of the home during hours when normal life activities take them outside of their home and when, without the provision of private duty nursing, their health and safety would be jeopardized. To use private duty nursing services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school. Medical assistance does not cover private duty nursing services for residents of a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the private duty nursing services or forgoes the facility per diem for the leave days that private duty nursing services are used. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed in an in-home setting according to section 256B.0627. All private duty nursing services must be provided according to the limits established under section 256B.0627. Private duty nursing services may not be reimbursed if the nurse is the spouse of the recipient or the parent or foster care provider of a recipient who is under age 18, or the recipient's legal guardian."

Page 96, after line 35, insert:

"Sec. 23. Minnesota Statutes 1996, section 256B.0625, subdivision 19a, is amended to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. To qualify for personal care services, recipients or responsible parties must be able to identify the recipient's needs, direct and evaluate task accomplishment, and provide for health and safety. Approved hours may be used outside the home when normal life activities take them outside the home and when, without the provision of personal care, their health and safety would be jeopardized. To use personal care services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school. Total hours for services, whether actually performed inside or outside the recipient's home, cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. Medical assistance does not cover personal care services for residents of a hospital, nursing facility, intermediate care facility, health care facility licensed by the commissioner of health, or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the personal care services or forgoes the facility per diem for the leave days that personal care services are used. All personal care services must be provided according to section 256B.0627. Personal care services may not be reimbursed if the personal care assistant is the spouse or legal guardian of the recipient or the parent of a recipient under age 18, or the responsible party or the foster care provider of a recipient who cannot direct the recipient's own care unless, in the case of a foster care provider, a county or state case manager visits the recipient as needed, but not less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are met. Parents of adult recipients, adult children of the recipient or adult siblings of the recipient may be reimbursed for personal care services if they are not the recipient's legal guardian and are granted a waiver under section 256B.0627."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend S.F. No. 3346 as follows:

Page 15, after line 47, insert:

"[CONSUMER ADVISORY BOARD.] Of the appropriation for fiscal year 1999 from the general fund to the commissioner, \$75,000 is for a grant to the consumer advisory board to use on expenses incurred in arranging and conducting board duties and compensation for the members."

Page 25, line 5, delete "Compensation"

Page 25, line 6, delete everything before "section" and insert "Members may be compensated in accordance with"

The motion prevailed. So the amendment was adopted.

Mr. Kelley, S.P. moved to amend the Marty amendment to S.F. No. 3346, adopted by the Senate February 24, 1998, as follows:

Page 2, line 26, before "The" insert "Funds received from"

Page 2, line 27, strike "deposit" and insert "be deposited"

Page 2, line 28, strike everything after "treasury"

Page 2, line 29, strike "governments" and delete the new language

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Stevens moved to amend S.F. No. 3346 as follows:

Page 232, after line 10, insert:

"Sec. 43. Minnesota Statutes 1997 Supplement, section 256J.24, is amended by adding a subdivision to read:

Subd. 8. [ASSISTANCE PAID TO ELIGIBLE ASSISTANCE UNITS.] Payments for shelter and utilities up to the amount of MFIP-S benefits for which the assistance unit is eligible shall be vendor paid for as many months as the assistance unit is eligible or six months, whichever comes first. The residual amount of the grant after vendor payment, if any, must be paid to the MFIP-S caregiver."

Page 278, after line 2, insert:

"Section 43 is effective for all applications for the Minnesota family investment program-statewide made on or after July 1, 1998."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 3346 as follows:

Page 15, line 47, after the period, insert "A medical clinic that counsels, refers, or performs abortion services is not eligible for these grants."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Laidig	Neuville	Sams
Belanger	Hanson	Larson	Olson	Samuelson
Berg	Johnson, D.E.	Lesewski	Ourada	Scheevel
Day	Johnson, D.J.	Lessard	Pariseau	Stevens
Dille	Kleis	Limmer	Robling	Stumpf
Fischbach	Knutson	Metzen	Runbeck	Vickerman

Those who voted in the negative were:

Anderson	Janezich	Lourey	Piper	Ten Eyck
Berglin	Johnson, D.H.	Marty	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kelley, S.P.	Morse	Ranum	Wiger
Flynn	Kelly, R.C.	Murphy	Robertson	
Foley	Kiscaden	Novak	Scheid	
Higgins	Krentz	Oliver	Solon	
Hottinger	Langseth	Pappas	Spear	

The motion did not prevail. So the amendment was not adopted.

Mrs. Lourey moved to amend S.F. No. 3346 as follows:

Page 73, after line 33, insert:

"Sec. 18. Laws 1997, chapter 207, section 7, is amended to read:

Sec. 7. [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 shall be the appraised value of the land. If the lands are sold, the conveyance must reserve to the state a conservation perpetual 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 public angler access and stream habitat protection and enhancement for the benefit of the state of Minnesota, department of natural resources, over the following lands:~~

A strip of land lying in the North 6.66 acres of the West Half of the Northeast Quarter of the Southwest Quarter of Section 6, Township 48 North, Range 16 West, Carlton county. Said strip lying 100 feet on each side of the centerline of Slaughterhouse Creek.

(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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Lesewski moved to amend S.F. No. 3346 as follows:

Page 95, after line 30, insert:

"Sec. 20. Minnesota Statutes 1996, section 256B.0625, is amended by adding a subdivision to read:

Subd. 3a. [GENDER REASSIGNMENT SURGERY.] Gender reassignment surgery and other gender reassignment medical procedures including drug therapy for gender reassignment are not medically necessary."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Beckman	Johnson, D.J.	Larson	Ourada	Stevens
Belanger	Kelly, R.C.	Lesewski	Pariseau	Stumpf
Berg	Kiscaden	Lessard	Robertson	Terwilliger
Day	Kleis	Limmer	Robling	Vickerman
Dille	Knutson	Murphy	Runbeck	Wiger
Fischbach	Krentz	Neuville	Sams	
Frederickson	Laidig	Oliver	Samuelson	
Johnson, D.E.	Langseth	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Higgins	Lourey	Pappas	Solon
Berglin	Hottinger	Marty	Piper	Spear
Betzold	Janezich	Metzen	Pogemiller	Ten Eyck
Cohen	Johnson, D.H.	Moe, R.D.	Price	Wiener
Flynn	Johnson, J.B.	Morse	Ranum	
Foley	Kelley, S.P.	Novak	Scheid	

The motion prevailed. So the amendment was adopted.

Mrs. Lourey moved to amend S.F. No. 3346 as follows:

Page 33, after line 20, insert:

"Sec. 16. [145.9248] [ADOLESCENT PREGNANCY PREVENTION PLAN.]

By January 15, 1999, the commissioners of health, human services, and children, families, and learning, in consultation with community representatives throughout the state, shall establish a comprehensive adolescent pregnancy prevention plan for the state.

Sec. 17. Minnesota Statutes 1996, section 145.925, is amended by adding a subdivision to read:

Subd. 10. [ACCOUNTING OF FUNDS.] By January 15, 2000, and every year thereafter, the commissioner shall report to the legislature the following information regarding the use of money granted under this section:

- (1) the number of individuals who received family planning services throughout the state;
- (2) the number of specific types of medical services provided, including the number of pap smears, breast exams, mammograms, and other specific family planning services;
- (3) the amount spent on publication of informational brochures or other public education materials;
- (4) the number of grantees and the geographic area in which each grantee provides family planning services; and
- (5) the extent to which family planning needs were unmet throughout the state.

Sec. 18. [145.9253] [SECOND CHANCE HOMES.]

The commissioner of health, in collaboration with the commissioners of human services and children, families, and learning, shall study and make recommendations to the legislature by January 15, 1999, on designing a pilot program to establish structured residential living arrangements to meet the needs of pregnant and parenting teens not able to live in the household of a parent, legal guardian, or other adult relative. The recommendations shall address the requirements of an adult-supervised supportive living arrangement specified in section 256J.14 and shall include programming to provide the minor parent with supportive services including counseling, guidance, independent living skills training, and adult supervision.

Sec. 19. [145.926] [ABSTINENCE EDUCATION GRANT PROGRAM.]

The commissioner of health shall expend federal funds for abstinence education programs provided under United States Code, title 42, section 710, and state matching funds for abstinence education programs only to an abstinence education program that complies with the state plan that has been submitted to and approved by the federal Department of Health and Human Services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Limmer moved to amend the second Lourey amendment to S.F. No. 3346 as follows:

Page 2, line 10, delete everything after "with" and insert "the components found in the above federal citation."

Page 2, delete line 11

The question was taken on the adoption of the Limmer amendment to the second Lourey amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Lessard	Robling	Stumpf
Day	Kleis	Limmer	Runbeck	Vickerman
Dille	Knutson	Neuville	Sams	
Fischbach	Laidig	Olson	Samuelson	
Frederickson	Larson	Ourada	Scheevel	
Hanson	Lesewski	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Hottinger	Krentz	Oliver	Scheid
Berglin	Janezich	Langseth	Pappas	Solon
Betzold	Johnson, D.H.	Lourey	Piper	Spear
Cohen	Johnson, J.B.	Marty	Pogemiller	Ten Eyck
Flynn	Kelley, S.P.	Moe, R.D.	Price	Terwilliger
Foley	Kelly, R.C.	Murphy	Ranum	Wiener
Higgins	Kiscaden	Novak	Robertson	Wiger

The motion did not prevail. So the amendment to the amendment was not adopted.

Ms. Krentz requested division of the second Lourey amendment as follows:

First portion:

Page 33, after line 20, insert:

"Sec. 16. [145.9248] [ADOLESCENT PREGNANCY PREVENTION PLAN.]

By January 15, 1999, the commissioners of health, human services, and children, families, and learning, in consultation with community representatives throughout the state, shall establish a comprehensive adolescent pregnancy prevention plan for the state.

Sec. 17. Minnesota Statutes 1996, section 145.925, is amended by adding a subdivision to read:

Subd. 10. [ACCOUNTING OF FUNDS.] By January 15, 2000, and every year thereafter, the commissioner shall report to the legislature the following information regarding the use of money granted under this section:

- (1) the number of individuals who received family planning services throughout the state;
- (2) the number of specific types of medical services provided, including the number of pap smears, breast exams, mammograms, and other specific family planning services;
- (3) the amount spent on publication of informational brochures or other public education materials;
- (4) the number of grantees and the geographic area in which each grantee provides family planning services; and
- (5) the extent to which family planning needs were unmet throughout the state.

Sec. 18. [145.9253] [SECOND CHANCE HOMES.]

The commissioner of health, in collaboration with the commissioners of human services and children, families, and learning, shall study and make recommendations to the legislature by January 15, 1999, on designing a pilot program to establish structured residential living arrangements to meet the needs of pregnant and parenting teens not able to live in the household of a parent, legal guardian, or other adult relative. The recommendations shall address the requirements of an adult-supervised supportive living arrangement specified in section 256J.14 and shall include programming to provide the minor parent with supportive services including counseling, guidance, independent living skills training, and adult supervision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 33, after line 20, insert:

"Sec. 19. [145.926] [ABSTINENCE EDUCATION GRANT PROGRAM.]

The commissioner of health shall expend federal funds for abstinence education programs provided under United States Code, title 42, section 710, and state matching funds for abstinence education programs only to an abstinence education program that complies with the state plan that has been submitted to and approved by the federal Department of Health and Human Services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the second portion of the Lourey amendment.

The roll was called, and there were yeas 46 and nays 16, as follows:

Those who voted in the affirmative were:

Beckman	Johnson, D.H.	Larson	Pariseau	Scheid
Belanger	Johnson, D.J.	Lesewski	Piper	Solon
Betzold	Johnson, J.B.	Lessard	Price	Ten Eyck
Day	Kelly, R.C.	Limmer	Ranum	Terwilliger
Dille	Kiscaden	Lourey	Robertson	Vickerman
Fischbach	Kleis	Neuville	Robling	Wiger
Foley	Knutson	Oliver	Runbeck	
Frederickson	Krentz	Olson	Sams	
Hanson	Laidig	Ourada	Samuelson	
Johnson, D.E.	Langseth	Pappas	Scheevel	

Those who voted in the negative were:



Anderson  
Berglin  
Cohen  
Flynn

Higgins  
Hottinger  
Janezich

Kelley, S.P.  
Moe, R.D.  
Murphy

Novak  
Pogemiller  
Spear

Stevens  
Stumpf  
Wiener

The motion prevailed. So the amendment was adopted.

Mrs. Lourey withdrew the first portion of her amendment.

Ms. Runbeck moved to amend S.F. No. 3346 as follows:

Page 82, line 36, delete "may" and insert "shall"

The motion did not prevail. So the amendment was not adopted.

Mr. Ten Eyck moved to amend S.F. No. 3346 as follows:

Page 25, after line 16, insert:

"Sec. 6. [62Q.62] [ENROLLEE CHOICE OF PROVIDER REQUIRED.]

Subdivision 1. [INTERFERENCE WITH CHOICE PROHIBITED.] A health plan company shall not directly or indirectly in connection with a health plan:

(1) impose higher enrollee cost-sharing or reduced reimbursement for health care services that would affect an enrollee's choice among those health care providers who participate in the health plan according to the terms offered;

(2) impose upon an enrollee under a health plan any copayment, fee, or condition that is not equally imposed upon all enrollees in the same benefit category, class, or enrollee cost-sharing level under the health plan when the enrollee is receiving health care services from a participating health care provider under that health plan; or

(3) prohibit or limit an enrollee's coverage for covered health care services provided by a health care provider, who is willing to accept the health plan's operating terms and conditions, schedule of fees, covered expenses, and utilization regulations.

Subd. 2. [QUALITY AND COST CONTROL PERMITTED.] Nothing in this section prevents a health plan company from using measures designed to maintain quality and to control costs, including, but not limited to, the use of a gatekeeper system, so long as those measures are imposed equally on all health care providers of the same type.

Subd. 3. [INTERPRETATION.] Nothing in this section shall be interpreted:

(1) as requiring any health plan to cover any specific health care service; or

(2) as permitting a condition or measure that would have the effect of excluding any type or class of health care provider qualified under subdivision 1, clause (3), from providing health care services to a health plan's enrollees.

Subd. 4. [HEALTH CARE PROVIDER.] (a) For purposes of this section, "health care provider" means an independently enrolled audiologist, chemical dependency treatment facility, chiropractor, community clinic, community mental health center, dentist, dietitian, home health care provider, hospital, licensed marriage and family therapist, nurse practitioner or advanced practice nurse, nursing facility, occupational therapist, optometrist, optician, outpatient chemical dependency counselor, outpatient surgical center, pharmacist, osteopath, physical therapist, physician, podiatrist, licensed psychologist, psychological practitioner, licensed social worker, rural health clinic, or speech therapist.

(b) For purposes of this subdivision, "home health care provider" means a provider of personal care assistance, home health aides, homemakers, respite care, adult day care, or home therapies and home health nursing services.

(c) For purposes of this subdivision, "independently enrolled" means that the health care

provider has authority under state law to bill, and receive payment directly from, a patient or health plan company."

Page 35, after line 31, insert:

"Sec. 21. [EFFECTIVE DATE.]

Section 6 is effective July 1, 1999."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Knutson moved to amend S.F. No. 3346 as follows:

Page 15, line 45, delete everything after "clinics" and insert a period

Page 15, delete lines 46 and 47

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Laidig	Olson	Sams
Belanger	Johnson, D.E.	Larson	Ourada	Samuelson
Day	Johnson, D.J.	Lesewski	Pariseau	Scheevel
Dille	Kleis	Limmer	Robling	Stevens
Fischbach	Knutson	Neuville	Runbeck	Vickerman

Those who voted in the negative were:

Anderson	Higgins	Krentz	Oliver	Solon
Berg	Hottinger	Lessard	Pappas	Spear
Berglin	Janezich	Lourey	Piper	Stumpf
Betzold	Johnson, D.H.	Marty	Pogemiller	Ten Eyck
Cohen	Johnson, J.B.	Metzen	Price	Terwilliger
Flynn	Kelley, S.P.	Moe, R.D.	Ranum	Wiener
Foley	Kelly, R.C.	Morse	Robertson	Wiger
Hanson	Kiscaden	Novak	Scheid	

The motion did not prevail. So the amendment was not adopted.

Mr. Limmer moved to amend S.F. No. 3346 as follows:

Page 16, line 10, after the period, insert "None of the information released to the commissioner will be individually identifiable information unless prior voluntary written consent is given by the patient or employee, or if the patient or employee is a minor, by the parent or guardian of the patient or employee."

The motion prevailed. So the amendment was adopted.

### RECONSIDERATION

Having voted on the prevailing side, Ms. Hanson moved that the vote whereby the Knutson amendment to S.F. No. 3346 was not adopted on February 24, 1998, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Lesewski	Robertson	Stevens
Day	Johnson, D.J.	Limmer	Robling	Terwilliger
Dille	Kleis	Olson	Runbeck	Vickerman
Fischbach	Knutson	Ourada	Sams	
Frederickson	Laidig	Pariseau	Samuelson	
Hanson	Larson	Pogemiller	Scheevel	

Those who voted in the negative were:

Anderson	Higgins	Krentz	Novak	Spear
Belanger	Hottinger	Langseth	Oliver	Ten Eyck
Berg	Johnson, D.E.	Lessard	Pappas	Wiener
Berglin	Johnson, D.H.	Lourey	Piper	Wiger
Betzold	Johnson, J.B.	Metzen	Price	
Cohen	Kelley, S.P.	Moe, R.D.	Ranum	
Flynn	Kelly, R.C.	Morse	Scheid	
Foley	Kiscaden	Murphy	Solon	

The motion did not prevail. So the vote was not reconsidered.

Ms. Kiscaden moved to amend the Kiscaden amendment to S.F. No. 3346, adopted by the Senate February 24, 1998, as follows:

Page 1, line 21, after the period, insert "Persons disenrolled under this subdivision may enter the transition pool established under section 256L.19."

The motion prevailed. So the amendment to the amendment was adopted.

S.F. No. 3346 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended, was passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2379, 2028, 2031 and 2621.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 23, 1998

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2170:** A bill for an act relating to recreational vehicles; exempting licensed sellers of boat and snowmobile trailers from certain contract or franchise requirements; exempting watercraft trailers and all-terrain vehicle trailers from the prohibition against sale of motor vehicles on Sunday; amending Minnesota Statutes 1996, sections 168.27, subdivision 22; and 168.275.

Senate File No. 2170 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 23, 1998

### CONCURRENCE AND REPASSAGE

Mr. Lessard moved that the Senate concur in the amendments by the House to S.F. No. 2170 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 2170:** A bill for an act relating to recreational vehicles; exempting licensed sellers of certain trailers from certain contract or franchise requirements; exempting dealers in certain trailers from the prohibition against sale of motor vehicles on Sunday; amending Minnesota Statutes 1996, sections 168.27, subdivision 22; and 168.275.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2309, 2654, 3040 and 3332.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 23, 1998

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time and referred to the committees indicated.

**H.F. No. 2309:** A bill for an act relating to financial institutions; regulating use of spousal credit history; requiring that creditors consider a credit history in the name of the applicant's spouse; requiring that creditors report a credit history in the names of both spouses; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2136.

**H.F. No. 2654:** A bill for an act relating to public safety; allowing personalized license plates to be issued for certain trucks resembling pickup trucks; authorizing special license plates for retired firefighters; providing for separate form for assignment of vehicle title; clarifying that juvenile's age as it relates to DWI-related driver's license revocation refers to the date of violation instead of the date of conviction; providing reasonable time to petition for driver's license reinstatement; ensuring uniformity of amount of handling charge allowed for certain driver's license reinstatements; amending Minnesota Statutes 1996, sections 168.12, subdivisions 2a and 2b; 168A.01, by adding a subdivision; and 168A.11, subdivision 1; Minnesota Statutes 1997 Supplement, sections 169.121, subdivision 4; 171.19; 171.20, subdivision 4; and 171.29, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2318, now on General Orders.

**H.F. No. 3040:** A bill for an act relating to human services; modifying requirements for documentation of long-term care facility payrolls; amending Minnesota Statutes 1996, section 256B.432, subdivision 8.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2355, now on the Calendar.

**H.F. No. 3332:** A bill for an act relating to adoption; modifying conditions for open adoption agreements; amending Minnesota Statutes 1997 Supplement, section 259.58.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2949, now on General Orders.

**REPORTS OF COMMITTEES**

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2555, 1615 and 3046. The motion prevailed.

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

**S.F. No. 2550:** A bill for an act relating to financial institutions; prohibiting solicitation of loans by mailing a check payable to the addressee; proposing coding for new law in Minnesota Statutes, chapter 47.

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

Delete everything after the enacting clause and insert:

"Section 1. [47.605] [LOAN SOLICITATION; UNREQUESTED CHECKS REGULATED.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Facsimile check" means a document that resembles a negotiable check, money order, draft, or other instrument.

(c) "Live check" means a negotiable check, money order, draft, or other instrument that may be used by a consumer to activate a loan.

Subd. 2. [UNREQUESTED CHECKS.] No financial institution or other lender may offer to make a loan by mailing to a Minnesota resident a live check payable to the addressee, which the addressee is requested to endorse and then cash, deposit, or otherwise negotiate as a means of accepting the loan offered, except as provided in subdivision 3. This section does not apply if the addressee already has an open-end credit arrangement or business relationship with the financial institution or other lender or if the addressee has requested in writing that the live check be mailed to the addressee.

Subd. 3. [EFFECT OF LIVE CHECKS.] (a) The addressee is not liable for any loan contracted or allegedly contracted by means of a live check that violates subdivision 2, unless the live check is offered in compliance with the requirements in paragraphs (b) to (g).

(b) The live check, regardless of its form, must not be negotiable after a period no longer than 30 days after the date shown on the live check. Printed material accompanying the live check must advise the consumer to void and destroy the live check if it is not going to be negotiated, and must be substantially similar to the following disclosure:

"THIS IS A SOLICITATION FOR A LOAN--READ THE ENCLOSED DISCLOSURES BEFORE SIGNING AND CASHING THIS CHECK."

(c) Notification of the loan agreement must be on the back of the live check so that the consumer is advised that by signing the back of the live check the consumer will have activated a loan transaction. The following disclosure must appear on the back of the live check:

"By endorsing this instrument, you agree to repay this loan according to the terms of the Loan Agreement, which you acknowledge receiving and which provides you with the contract terms in connection with this loan transaction."

(d) Opt-out provisions of the federal Fair Credit Reporting Act Amendments effective in October 1997 must be noted by reference in printed materials that accompany the live check.

(e) Live check loan solicitations must be mailed in envelopes with no indication that a negotiable instrument is contained in the mailing. Envelopes must be marked with instructions to the postal service stating that the item is not to be forwarded if the intended addressee is no longer at the location.

(f) The creditor who receives a negotiated live check must execute the following steps consistent with the structure of the creditor's business:

(1) ensure that the instrument is placed in the consumer's loan folder, record, or other filing procedure consistent with the creditor's business which will enable recovery of the item, or an exact facsimile of the original document; and

(2) provide to the customer a coupon book or billing statement or other medium consistent with the creditor's business practice as confirmation of the activation of the loan.

(g) In the event that a live check is stolen or incorrectly received by someone other than the intended payee, and the live check is fraudulently cashed or otherwise negotiated, the following safeguards for the consumer must be triggered:

(1) the creditor, upon receipt of notification that the consumer did not negotiate the live check, shall provide, and the consumer may complete, a statement confirming that the consumer did not deposit, cash, or otherwise negotiate the live check;

(2) completion of the confirmation statement must be facilitated by the creditor by providing the consumer the opportunity to fill it out at a local location of the creditor, by mail, or both, and by explaining that the consumer is relieved from any liability on the loan. The creditor shall also provide the consumer with a contact person to provide assistance if required; and

(3) upon submitting a completed confirmation statement to the creditor, the consumer who was the intended payee shall have no liability for the loan obligation, absent any fraud by that consumer.

Subd. 4. [FACSIMILE CHECKS.] No financial institution or other lender shall mail to a Minnesota resident a loan solicitation that includes a facsimile check payable to the addressee unless:

(1) the facsimile check contains on the front and back, in at least a 30-point bold font, the words:

"This is not a check";

(2) the opt-out provisions of the federal Fair Credit Reporting Act Amendments effective in October 1997 are noted by reference in printed materials that accompany the facsimile check; and

(3) the solicitation is mailed in an envelope that does not make it appear that a negotiable instrument is contained in the mailing.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1999."

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. 2489:** A bill for an act relating to commerce; regulating residential mortgage loans; establishing table funding requirements; proposing coding for new law in Minnesota Statutes, chapter 82.

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

Page 1, after line 14, insert:

"(d) "Established business relationship" means that the closing agent has performed at least 25 residential closings on behalf of the lender."

Page 1, line 15, delete "(d)" and insert "(e)"

Page 1, line 19, delete "(e)" and insert "(f)"

Page 1, line 21, delete "(f)" and insert "(g)"

Page 2, line 14, after the period, insert "This subdivision does not prohibit a closing agent from electing to disburse out of an escrow, security deposit, settlement, or closing account, other than with collected funds or qualified loan funds, if the closing agent has an established business relationship with the lender on whose behalf the closing is being conducted."

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

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**H.F. No. 2222:** A bill for an act relating to cartways; providing for the establishment of cartways in certain circumstances; amending Minnesota Statutes 1996, section 164.08, subdivision 2.

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. 2099:** A bill for an act relating to crimes; lowering alcohol concentration limit for

operating a motor vehicle or hunting from 0.10 to 0.08; amending Minnesota Statutes 1996, sections 97B.065, subdivision 1; 97B.066, subdivision 1; 169.123, subdivisions 2 and 5a; 192A.555; and 609.21, subdivisions 1, 2, 2a, 2b, 3, and 4; Minnesota Statutes 1997 Supplement, sections 169.121, subdivision 1; and 169.123, subdivisions 4 and 6.

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

Page 14, lines 26, 28, and 34, delete "January" and insert "July"

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. 695:** A bill for an act relating to trusts; defining a nonprofit health care trust; establishing requirements for certain agreements or transactions between nonprofit health care trusts and for-profit corporations or entities; amending Minnesota Statutes 1996, section 317A.811, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 501B.

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

Page 2, after line 36, insert:

"(3) the names of individuals authorized to receive data in the written notice from the attorney general;"

Page 3, line 1, delete "(3)" and insert "(4)"

Page 3, line 3, delete "(4)" and insert "(5)"

Page 3, line 5, delete "(5)" and insert "(6)"

Page 3, line 6, delete "(6)" and insert "(7)"

Page 3, line 15, delete "confidential" and insert "private"

Page 3, line 16, delete "3" and insert "12"

Page 3, line 17, delete "protected"

Page 3, line 18, delete "13" and insert "9"

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

**Mr. Marty from the Committee on Election Laws, to which was re-referred**

**S.F. No. 2670:** A bill for an act relating to metropolitan government; providing for county commissioners to serve as metropolitan council members; regulating economic interest statements of candidates and members; regulating contributions to candidates; requiring a study; amending Minnesota Statutes 1996, sections 10A.01, subdivision 5; 10A.09, subdivision 6a; 10A.27, subdivision 1; 15.0597, subdivision 1; 204B.06, subdivision 4; 204B.09, subdivisions 1 and 1a; 204B.11; 204B.135, subdivision 2; 204B.32, subdivision 2; 204D.02, subdivision 1; 204D.08, subdivision 6; 204D.27, by adding a subdivision; 209.02, subdivision 1; 211A.01, subdivision 3; 211B.01, subdivision 3; 353D.01, subdivision 2; 375.09; and 473.123, subdivisions 1, 4, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 204D; 375; and 473; repealing Minnesota Statutes 1996, sections 473.123, subdivisions 2a, 3, 3a, and 3c; and Laws 1994, chapter 628, article 1, section 8.

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

Page 12, delete section 19

Pages 15 to 17, delete section 25 and insert:



"Sec. 24. [473.124] [METROPOLITAN COUNCIL ELECTIONS.]

Subdivision 1. [NUMBER OF MEMBERS.] The metropolitan council consists of 16 members.

Subd. 2. [DISTRICTS.] (a) After each federal decennial census, the metropolitan council shall divide the metropolitan area into as many districts as there are members. Each district is entitled to elect one member. The districts must be bounded by town, municipal, ward, or precinct lines. The districts must be composed of compact, convenient, and contiguous territory and must be substantially equal in population. The population of the largest district must not exceed the population of the smallest district by more than ten percent, unless the result would force a voting precinct to be split. A metropolitan council district may not include territory in more than one county unless necessary to meet equal-population requirements. The districts must be numbered in a regular series.

(b) The districts must be redrawn within the time provided in section 204B.135, subdivision 2. Before acting to redistrict, the council shall publish three weeks' notice of its purpose, stating the time and place of the meeting where the matter will be considered, in newspapers of general circulation. The council shall file a map of the new districts with the secretary of state.

Subd. 3. [TERMS.] Members serve a term of four years, except to fill a vacancy and there must be a new election of all the members at the first election after each decennial redistricting and the members elected at that election from districts with odd numbers serve for an initial term of two years."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "members;"

Page 1, line 17, delete "375;"

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

**Ms. Piper, Messrs. Pogemiller and Stumpf from the Committee on Children, Families and Learning, to which was referred**

**S.F. No. 3256:** A bill for an act relating to taxation; proposing an amendment to the Minnesota Constitution, article XIII, section 1; prohibiting financing of certain education costs with property taxes.

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

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people as provided in this section.

If the amendment is adopted, article XIII, section 1, will read:

Section 1. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will to finance at least 70 percent of all public education expenses and to secure a thorough and efficient system of public schools throughout the state.

Sec. 2. [SUBMISSION TO THE PEOPLE.]

The proposed amendment shall be submitted to the people at the 1998 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to specify that the state shall be responsible for at least 70 percent of all public education expenses in Minnesota?"

Yes.....  
No....." "

Amend the title as follows:

Page 1, delete lines 4 and 5 and insert "requiring financing of at least 70 percent of all public education expenses."

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

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

**S.F. No. 2555:** A bill for an act relating to state employment; increasing salaries for judges; modifying employee and employer contribution rates for certain judges retirement plans; amending Minnesota Statutes 1996, section 490.123, subdivisions 1a and 1b; Laws 1997, Second Special Session chapter 3, section 16.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC MEDICAL FACILITY PRIVATIZATIONS

Section 1. [LIVERNE COMMUNITY HOSPITAL; PENSION COVERAGE FOR TRANSFERRED EMPLOYEES.]

Subdivision 1. [AUTHORIZATION.] This section applies if the Luverne Community Hospital is sold, leased, or transferred to a private entity, nonprofit corporation, or public corporation. Notwithstanding Minnesota Statutes, sections 356.24 and 356.25, 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 applicable to nonpublic safety employees under Minnesota Statutes, chapter 353, as amended, in effect on the date of the sale, lease, or transfer.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES; ELIGIBILITY.]

(a) An eligible individual is an individual who:

(1) is an employee of the Luverne Community Hospital 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. 2. [ARNOLD MEMORIAL HOSPITAL, ADRIAN, MINNESOTA; PENSION COVERAGE FOR TRANSFERRED EMPLOYEES.]

Subdivision 1. [AUTHORIZATION.] This section applies if the Arnold Memorial Hospital in Adrian is sold, leased, or transferred to a private entity, nonprofit corporation, or public corporation. Notwithstanding Minnesota Statutes, sections 356.24 and 356.25, 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 applicable to nonpublic safety employees under Minnesota Statutes, chapter 353, as amended, in effect on the date of the sale, lease, or transfer.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES; ELIGIBILITY.]  
(a) An eligible individual is an individual who:

(1) is an employee of the Arnold Memorial Hospital in Adrian 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. 3. [EFFECTIVE DATE.]

(a) Section 1 is effective on the day following approval by the Luverne city council and compliance with Minnesota Statutes, section 645.021.

(b) Section 2 is effective on the day following approval by the Adrian city council and compliance with Minnesota Statutes, section 645.021.

## ARTICLE 2

### MISCELLANEOUS GENERAL EMPLOYEE PENSION CHANGES

Section 1. Minnesota Statutes 1996, section 136F.45, is amended by adding a subdivision to read:

Subd. 3a. [SHARING OF FEES.] (a) For purposes of this subdivision, a gross fee amount is defined as the fees, commissions, and other charges which an annuity investment provider or vendor would charge a typical consumer of those services for identical or similar products. A net fee amount is an amount below the gross fee amount reflecting a negotiated reduction below gross fees.

(b) To offset the board's necessary and reasonable expenses incurred under subdivisions 1 and 2, the Minnesota state colleges and universities system is authorized to negotiate with an annuity investment provider or vendor to establish a net fee amount.

(c) Under the negotiated arrangements, the Minnesota state colleges and universities system is authorized to either make arrangements to recapture the difference between gross and net fee amounts through a rebate from the annuity investment provider or vendor, or deduct those amounts prior to transmitting the contributions or premiums.

(d) The revenues collected or retained under these negotiated arrangements must be used to offset the board's necessary and reasonable expenses incurred under this section. Any excess above the necessary and reasonable expenses must be allocated annually to the accounts of the participants.

Sec. 2. Minnesota Statutes 1996, section 136F.48, is amended to read:

136F.48 [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

(1) retires from the state university system, the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of those systems;

(3) begins drawing an annuity from the teachers retirement association or from a first class city teacher plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer president of the institution where the person returns to work and the employee. The employer president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the

amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

(f) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 3. Minnesota Statutes 1996, section 352.96, subdivision 4, is amended to read:

Subd. 4. [EXECUTIVE DIRECTOR TO ESTABLISH RULES.] The executive director of the system with the advice and consent of the board of directors shall establish rules and procedures to carry out this section including allocation of administrative costs ~~against the assets accumulated under this section. Funds to pay these costs are appropriated from the fund or account in which the assets accumulated under this section are placed~~ of the plan to participants. Fees cannot be charged on contributions and investment returns attributable to contributions made to the Minnesota supplemental investment funds before July 1, 1992. Annual total fees charged for plan administration for the Minnesota supplemental investment funds cannot exceed 40/100 of one percent of the contributions and investment returns attributable to contributions made on or after July 1, 1992. The rules established by the executive director must conform to federal and state tax laws, regulations, and rulings, and are not subject to the administrative procedure act. Except for the marketing rules, rules relating to the options provided under subdivision 2, clauses (2) and (3), must be approved by the state board of investment.

Sec. 4. Minnesota Statutes 1996, section 352D.09, subdivision 7, is amended to read:

Subd. 7. ~~Up to one-tenth of one percent of salary shall be deducted from the employee contributions and up to one-tenth of one percent of salary from the employer contributions authorized by section 352D.04, subdivision 2.~~ The board of directors shall establish a budget and charge participants a fee to pay the administrative expenses of the unclassified program. Fees cannot be charged on contributions and investment returns attributable to contributions made before July 1, 1992. Annual total fees charged for plan administration cannot exceed 10/100 of one percent of the contributions and investment returns attributable to contributions made on or after July 1, 1992.

Sec. 5. Minnesota Statutes 1996, section 353D.05, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE EXPENSES.] The executive director of the association with the advice and consent of the board shall annually set an amount to recover the costs of the association in administering the public employees defined contribution plan ~~that are not met by the amount recovered under section 11A.17.~~

Sec. 6. Minnesota Statutes 1996, section 354.445, is amended to read:

354.445 [NO ANNUITY REDUCTION.]

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the state university system, technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of these systems;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time

basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer president of the institution where the person returns to work and the employee. The employer president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not earn further service credit in the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section. No employer or employee contribution to any of these plans may be made on behalf of such a person.

(d) For a person eligible under paragraphs (a) and (b) who earns more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over \$35,000.

(e) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 7. Minnesota Statutes 1996, section 354B.23, is amended by adding a subdivision to read:

Subd. 5a. [EXCESS CONTRIBUTIONS.] (a) When contributions to the plan exceed limits imposed by federal law or regulation and it is necessary to return contributions to comply with the federal limits, excess contributions must be returned to the employee and to the employer in the same proportions as the contributions were made.

(b) When an employer contribution required under section 354B.24 due to a sabbatical leave is made after completion of the leave or an employer contribution is made due to omitted deductions under subdivision 5, and these employer contributions cause or would cause total contributions to the plan to exceed limits imposed by federal law or regulation, the employer must make that portion of the contribution that would exceed the federal limit during the next calendar year.

Sec. 8. Minnesota Statutes 1997 Supplement, section 354B.25, subdivision 1a, is amended 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 committee shall adopt recommendations by majority vote of those members voting on each issue. 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. 9. Minnesota Statutes 1997 Supplement, 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 in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; 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. 10. Minnesota Statutes 1996, section 354C.12, is amended by adding a subdivision to read:

Subd. 1a. [EXCESS CONTRIBUTIONS.] (a) When contributions to the plan exceed limits imposed by federal law or regulation and it is necessary to return contributions to comply with the federal limits, half of the excess contributions must be returned to the employee and half to the employer.

(b) When an employer contribution is made due to omitted deductions under subdivision 2, and these employer contributions cause or would cause total contributions to the plan to exceed limits imposed by federal law or regulation, the employer must make that portion of the contribution that would exceed the federal limit during the next calendar year.

Sec. 11. Minnesota Statutes 1997 Supplement, 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~~ authorized by the Minnesota state colleges and universities in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; 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. 12. Minnesota Statutes 1996, section 383B.52, is amended to read:

383B.52 [ADMINISTRATION COSTS.]

The board of county commissioners of Hennepin county is hereby authorized to appropriate money for the administration of the supplementary benefit program created by sections 383B.46 to 383B.52. The board of county commissioners of Hennepin county may charge participants a fee to recover the administrative expenses of the supplementary benefit program. Annual total fees charged to administer the supplementary benefit program may not exceed 40/100 of one percent of the assets of the program.

Sec. 13. Minnesota Statutes 1996, section 422A.23, subdivision 2, is amended to read:

Subd. 2. [SHORT-SERVICE SURVIVOR BENEFIT.] ~~Upon the death of a contributing (a) If an active member after having been in the city service not less than dies prior to termination of service with at least 18 months but before the effective date of retirement, the board shall in lieu of the settlement hereinbefore provided pay to the surviving spouse and/or children of the member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college or university, and single, the following monthly benefit:~~

~~(a) Surviving spouse \$325 per month, except for benefits beginning after July 1, 1983, which shall be 30 percent of member's average salary in effect over the last six months of allowable service preceding the month in which the death occurred.~~

~~(b) Each surviving child \$150 per month, except for benefits beginning after July 1, 1983, which shall be ten percent of the member's average salary in effect over the last six months of allowable service preceding the month in which the death occurred but less than 20 years of service credit, the surviving spouse or surviving child or children is eligible to receive the survivor benefit specified in paragraph (b) or (c), as applicable. Payments for the Payment of a benefit of for any surviving child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such the surviving child. The maximum monthly benefit shall not exceed a total of \$750.~~

~~(c) Effective for payments made after June 30, 1991, surviving spouse and surviving child benefits under paragraphs (a) and (b) beginning on or before July 1, 1983, are increased to \$500 per month and \$225 per month, respectively. The maximum monthly payment under paragraph (b) is increased to \$900. The increased cost resulting from the benefit increases in this paragraph must~~



be allocated to each employing unit listed in section 422A.101, subdivisions 1a, 2, and 2a, on the basis of the additional accrued liability resulting from increased benefits paid to the survivors of employees from that unit. For purposes of this subdivision, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university.

(b) If the surviving spouse or surviving child benefit commenced before July 1, 1983, the surviving spouse benefit is \$750 per month and the surviving child benefit is \$225 per month, beginning with the first monthly payment payable after the effective date of this section. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed \$900 per month. The increased cost resulting from the benefit increases under this paragraph must be allocated to each employing unit listed in section 422A.101, subdivisions 1a, 2, and 2a, on the basis of the additional accrued liability resulting from increased benefits paid to the survivors of employees from that unit.

(c) If the surviving spouse or surviving child benefit commences after June 30, 1983, the surviving spouse benefit is 30 percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The surviving child benefit is ten percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed 50 percent of the member's average salary in effect over the last six months of allowable service.

(d) Any surviving child benefit or surviving spouse benefit computed under paragraph (c) and in effect for the month immediately prior to the effective date of this section is increased by 15 percent as of the first payment on or after the effective date of this section.

(e) Surviving child benefits under this subdivision terminate when the child no longer meets the definition of surviving child.

#### Sec. 14. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; SPECIAL SURVIVING SPOUSE BENEFIT ELIGIBILITY.]

(a) Notwithstanding any provision of law to the contrary, the surviving spouse of a deceased qualified public employee who died as a result of an alleged homicide in the line of duty within one month of eligibility for normal retirement is entitled to receive the second portion of a 100-percent joint and survivor optional annuity under Minnesota Statutes, section 353.31, subdivision 1b, calculated as if the deceased qualified public employee had qualified for the "rule of 90" early normal retirement annuity on the date of death.

(b) A deceased qualified public employee is a person who:

(1) was born on August 18, 1941;

(2) became a member of the public employees retirement association on July 7, 1964;

(3) was a member of the basic program of the public employees retirement association;

(4) was employed as a building inspector by the city of St. Paul;

(5) died during the course of employment duties on December 24, 1997; and

(6) would have been eligible to retire under the "rule of 90" early normal retirement provision on or before February 1, 1998.

(c) The benefit under paragraph (a) is payable in lieu of any other survivor benefit from the public employee retirement association. The benefit under paragraph (a) accrues on January 1, 1998, and the initial payment of the benefit must include any applicable retroactive payment amounts. The benefit under paragraph (a) must be elected by the surviving spouse on a form prescribed by the executive director of the public employees retirement association.

#### Sec. 15. [REIMBURSEMENT OF ACTUARIAL COST BY CITY OF ST. PAUL.]

On the effective date of this section, the city of St. Paul shall pay to the public employees retirement association \$36,698 and whatever portion of a remaining \$36,697 is not appropriated from the general fund to the public employees retirement association for this purpose in order to offset the increased actuarial accrued liability related to the survivor benefit increase provided in section 14.

Sec. 16. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION COVERAGE TERMINATION.]

Subdivision 1. [ELIGIBILITY.] (a) An eligible member specified in paragraph (b) is authorized to apply for a retirement annuity, provided necessary age and service requirements are met, under Minnesota Statutes, section 353.29 or 353.30, as applicable, as further specified under subdivision 2.

(b) An eligible member is an individual who:

- (1) is an active member of the public employees retirement association coordinated plan;
- (2) contributes to that plan based on employment by the suburban Hennepin county regional park district and as an elected member of the Minneapolis park and recreation board; and
- (3) was born on February 25, 1936.

Subd. 2. [RETIREMENT ANNUITY.] (a) Notwithstanding Minnesota Statutes, section 353.01, subdivision 2a, clause (3), and continuation of elected service, an eligible individual under subdivision 1, paragraph (b), is deemed to have terminated membership under Minnesota Statutes, section 353.01, subdivision 11b, following termination of the suburban Hennepin county regional park district employment and meeting applicable length of separation requirements.

(b) If the requirements of paragraph (a) are satisfied, the eligible individual may apply for a retirement annuity under Minnesota Statutes, section 353.29 or 353.30, whichever applies. In computing the annuity, the public employees retirement association must exclude salary due to appointed and elected Minneapolis park and recreation board service.

Subd. 3. [TREATMENT OF MINNEAPOLIS PARK AND RECREATION BOARD CONTRIBUTION TO THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.] (a) Upon termination of the suburban Hennepin county regional park district employment, all employee contributions to the public employees retirement association coordinated plan by an eligible individual in subdivision 1, paragraph (b), due to Minneapolis park and recreation board appointed and elected service, and all corresponding employer contributions, terminate.

(b) Following termination of contributions under paragraph (a), an eligible member under subdivision 1, paragraph (b), must elect, within one year of termination of contributions under paragraph (a) or termination of elective service, whichever is earlier, a refund under Minnesota Statutes, section 353.34, subdivision 2, or coverage by the public employees defined contribution plan under Minnesota Statutes, chapter 353D, as further specified in paragraph (c).

(c) If public employee defined contribution plan coverage is elected under this paragraph, contributions to that plan commence as of the first day of the pay period following this election. Notwithstanding Minnesota Statutes, section 353D.12, accumulated employee contributions made by an eligible member as specified in subdivision 1, paragraph (b), and corresponding employer contributions, due to the Minneapolis park and recreation board appointed and elected service, must be transferred with six percent annual interest to an account for an eligible member in the public employees defined contribution plan.

(d) If no election is made by an eligible member by the required date in paragraph (b), the individual is assumed to have elected the refund indicated in paragraph (b).

(e) Upon an election under paragraph (b), or a mandatory refund under paragraph (d), all rights in the public employees retirement association coordinated plan due to elected and appointed service are forfeited and may not be reestablished.

## Sec. 17. [REPEALER.]

(a) Minnesota Statutes 1996, sections 11A.17, subdivisions 10a and 14; and 352D.09, subdivision 8, are repealed.

(b) Minnesota Statutes 1997 Supplement, section 136F.45, subdivision 3, is repealed.

## Sec. 18. [EFFECTIVE DATE.]

(a) Sections 1, 2, 6, 7, 8, 10, 16, and 17, paragraph (b), are effective on the day following final enactment.

(b) Sections 3, 4, 5, 9, 11, 12, and 17, paragraph (a), are effective July 1, 1999.

(c) Section 13 is effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

(d) Sections 14 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.

## ARTICLE 3

QUALIFIED PART-TIME TEACHER RETIREMENT PROGRAM  
REPORTING DEADLINE

Section 1. Minnesota Statutes 1996, section 354.66, subdivision 2, is amended to read:

Subd. 2. [QUALIFIED PART-TIME POSITIONS TEACHER PROGRAM PARTICIPATION REQUIREMENTS.] A teacher in the a Minnesota public elementary schools school, a Minnesota secondary schools school, or technical the Minnesota state colleges or in the community college system or the state university and universities system of the state who has three years or more of allowable service in the association or three years or more of full-time teaching service in Minnesota public elementary schools, Minnesota secondary schools, or technical the Minnesota state colleges or in the community college system or the state university and universities system, may, by agreement with the board of the employing district or with the authorized representative of the board, may be assigned to teaching service within the district in a part-time teaching position under subdivision 3. The association must receive a copy of the agreement must be executed before October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4. A copy of the executed agreement must be filed with the executive director of the association. If the copy of the executed agreement is filed with the association after October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4, the employing unit shall pay the fine specified in section 354.52, subdivision 6, for each calendar day that elapsed since the October 1 due date. The association may not accept an executed agreement that is received by the association more than 15 months late. The association may not waive the fine required by this section.

Sec. 2. Minnesota Statutes 1996, section 354.66, subdivision 3, is amended to read:

Subd. 3. [PART-TIME TEACHING POSITION, DEFINED.] For purposes of this section, the term "part-time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding ~~67~~ 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit. The compensation of a teacher in the state colleges and university system may exceed the ~~67~~ 80 percent limit if the teacher does not teach just one of the three quarters in the system's full school year, provided no additional services are performed while the teacher participates in the program.

Sec. 3. Minnesota Statutes 1996, section 354A.094, subdivision 2, is amended to read:

Subd. 2. [PART-TIME TEACHING POSITION, DEFINED.] For purposes of this section, the term "part-time teaching position" shall mean a teaching position within the district in which the

teacher is employed for at least 50 full days or a fractional equivalent of 50 full days calculated using the appropriate minimum number of hours which would result in a full day of service credit by the appropriate association and for which the teacher is compensated in an amount not to exceed 67 80 percent of the compensation rate established by the board for a full-time teacher with identical education and experience within the district.

Sec. 4. Minnesota Statutes 1996, section 354A.094, subdivision 3, is amended to read:

Subd. 3. [QUALIFIED PART-TIME TEACHER PROGRAM PARTICIPATION REQUIREMENTS.] A teacher in the public schools of a city of the first class who has three years or more allowable service in the applicable retirement fund association or three years or more of full-time teaching service in Minnesota public elementary schools, Minnesota secondary schools, and technical Minnesota state colleges and universities system may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part-time teaching position. The agreement must be executed before October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4. A copy of the executed agreement must be filed with the executive director of the retirement fund association. If the copy of the executed agreement is filed with the association after October 1 of the year for which the teacher requests to make retirement contributions under subdivision 4, the employing school district shall pay a fine of \$5 for each calendar day that elapsed since the October 1 due date. The association may not accept an executed agreement that is received by the association more than 15 months late. The association may not waive the fine required by this section.

Sec. 5. [EFFECTIVE DATE.]

(a) Sections 1 and 4 are effective on the day following final enactment.

(b) Sections 2 and 3 are effective on July 1, 1998.

#### ARTICLE 4

#### PRIOR SERVICE CREDIT PURCHASES

Section 1. [356.55] [PRIOR SERVICE CREDIT PURCHASE PAYMENT AMOUNT DETERMINATION PROCEDURE.]

Subdivision 1. [APPLICATION.] Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies a different purchase payment amount determination procedure, this section governs the determination of the prior service credit purchase payment amount of any prior service credit purchase.

Subd. 2. [DETERMINATION.] (a) Unless the prior service credit purchase minimum amount determined under paragraph (d) is greater, the prior service credit purchase amount is the result obtained by subtracting the amount determined under paragraph (c) from the amount determined under paragraph (b).

(b) The present value of the unreduced single life retirement annuity, with the purchase of the additional service credit included, must be calculated as follows:

(1) the age at first eligibility for an unreduced single life retirement annuity, including the purchase of the additional service credit, must be determined;

(2) the length of total service credit, including the period of the purchase of the additional service credit, at the age determined under clause (1) must be determined;

(3) the highest five successive years average salary at the age determined under clause (1), assuming five percent annual compounding salary increases from the most current annual salary amount at the age determined under clause (1), must be determined;

(4) using the benefit accrual rate or rates applicable to the prospective purchaser of the service credit based on the prospective purchaser's actual date of entry into covered service, the length of service determined under clause (2), and the final average salary determined under clause (3), the annual unreduced single life retirement annuity amount must be determined;

(5) the actuarial present value of the projected annual unreduced single life retirement annuity amount determined under clause (4) at the age determined under clause (1), using the same actuarial factor that the plan would use to determine actuarial equivalence for optional annuity forms and related purposes, must be determined; and

(6) the discounted value of the amount determined under clause (5) to the date of the prospective purchase, using an interest rate of 8.5 percent and no mortality probability decrement, must be determined.

(c) The present value of the unreduced single life retirement annuity, without the purchase of the additional service credit included, must be calculated as follows:

(1) the age at first eligibility for an unreduced single life retirement annuity, not including the purchase of additional service credit, must be determined;

(2) the length of accrued service credit, without the period of the purchase of the additional service credit, at the age determined under clause (1) must be determined;

(3) the highest five successive years average salary at the age determined under clause (1), assuming five percent annual compounding salary increases from the most current annual salary amount to the age determined under clause (1), must be determined;

(4) using the benefit accrual rate or rates applicable to the prospective purchaser of the service credit based on the prospective purchaser's actual date of entry into covered service the length of service credit determined under clause (2), and the final average salary determined under clause (3), the annual unreduced single life retirement annuity amount must be determined;

(5) the actuarial present value of the projected annual unreduced single life retirement annuity amount determined under clause (4) at the age determined under clause (1), using the same actuarial factor that the plan would use to determine actuarial equivalence for optional annuity forms and related purposes, must be determined;

(6) the discounted value of the amount determined under clause (5) to the date of the prospective purchase, using an interest rate of 8.5 percent and no mortality probability decrement, must be determined; and

(7) the net value of the discounted value determined under clause (6) must be determined by applying a service ratio, where the numerator is the total length of credited service determined under paragraph (b), clause (2) reduced by the period of the additional service credit proposed to be purchased, and where the denominator is the total length of service credit determined under clause (2).

(d) The minimum prior service credit purchase amount is the amount determined by multiplying the most current annual salary of the prospective purchaser by the combined current employee, employer, and any additional employer contribution rates for the applicable pension plan and by multiplying that result by the number of years of service or fractions of years of service of the potential service credit purchase.

Subd. 3. [SOURCE OF DETERMINATION.] The prior service credit purchase amounts under subdivision 2 must be calculated by the chief administrative officer of the public pension plan using a prior service credit purchase amount determination process that has been verified for accuracy and consistency under this section by the commission-retained actuary. That verification must be in writing and must occur before the first prior service credit purchase for the plan under this section is accepted and every five years thereafter or whenever the preretirement interest rate, postretirement interest rate, payroll growth, or mortality actuarial assumption for the applicable pension plan is modified under section 356.215, whichever occurs first.

Subd. 4. [PRIOR SERVICE CREDIT PURCHASE PROCESSING FEE.] A public pension plan may establish a fee to be charged to the prospective purchaser for processing a prior service credit purchase application and the prior service credit payment amount calculation. The fee must be established by the governing board of the pension plan and must be uniform for comparable

service credit purchase situations or actuarial calculation requests. The prior service credit purchase processing fee structure must be published by the chief administrative officer of the applicable retirement plan in the state register.

Subd. 5. [PAYMENT RESPONSIBILITY; EMPLOYER OPTION.] Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies otherwise, the prior service credit purchase payment amount determined under subdivision 2 is payable by the purchaser, but the former employer of the purchaser or the current employer of the purchaser may, at its discretion, pay all or a portion of the purchase payment amount in excess of an amount equal to the employee contribution rate or rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made.

Subd. 6. [REPORT ON PRIOR SERVICE CREDIT PURCHASES.] (a) As part of the regular data reporting to the consulting actuary retained by the legislative commission on pensions and retirement annually, the chief administrative officer of each public pension plan that has accepted a prior service credit purchase payment under this section shall report for any purchase, the purchaser, the purchaser's employer, the age of the purchaser, the period of the purchase, the purchaser's pre-purchase accrued service credit, the purchaser's post-purchase accrued service credit, the purchaser's prior service credit payment, the prior service credit payment made by the purchaser's employer, and the amount of the additional benefit or annuity purchased.

(b) As part of the regular annual actuarial valuation for the applicable public pension plan prepared by the consulting actuary retained by the legislative commission on pensions and retirement, there must be an exhibit comparing for each purchase the total prior service credit payment received from all sources and the increased public pension plan actuarial accrued liability resulting from each purchase.

Subd. 7. [EXPIRATION OF PURCHASE PAYMENT DETERMINATION PROCEDURE.] (a) This section expires and is repealed on July 1, 2001.

(b) Authority for any public pension plan to accept a prior service credit payment calculated in a timely fashion under this section expires on October 1, 2001.

Sec. 2. [356.551] [POST-JULY 1, 2001 PRIOR SERVICE CREDIT PURCHASE PAYMENT AMOUNT DETERMINATION PROCEDURE.]

(a) Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies a different purchase payment amount determination procedure, and if section 356.55 has expired, this section governs the determination of the prior service credit purchase payment amount of any prior service credit purchase.

(b) The prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed 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 public pension plan specified in section 356.215, subdivision 4d, and the mortality table adopted for the public pension plan. The calculation must assume continuous future service in the public pension plan 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 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 section 356.215, subdivision 4d. Payment must be made in one lump sum within one year of the prior service credit authorization. Payment of the amount calculated under this subdivision must be made by the applicable eligible person. However, the current employer or the prior employer 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 8.5 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 employer agrees to payments under this paragraph, the purchaser must make the employee payments required under this paragraph within 290 days of the prior service credit authorization. If that employee payment is made, the employer payment under this paragraph must be remitted to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this paragraph.

(c) The prospective purchaser must provide any relevant documentation required by the chief administrative officer of the public pension plan to determine eligibility for the prior service credit under this section.

(d) Service credit for the purchase period must be granted by the public pension plan to the purchaser upon receipt of the purchase payment amount specified in paragraph (b).

### Sec. 3. [PRIOR SERVICE CREDIT PURCHASE AUTHORIZATION.]

#### Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 77 (MANKATO) TEACHER.]

(a) Notwithstanding any provision of Minnesota Statutes, section 354.094, or other law to the contrary, an eligible person described in paragraph (b) is entitled to obtain allowable and formula service credit in the teachers retirement association for the period described in paragraph (c) upon the payment of the full service credit purchase amount specified in Minnesota Statutes, section 356.55.

(b) An eligible person is a person who was:

(1) born on June 23, 1946;

(2) granted an extended leave of absence from employment under the teacher mobility program by independent school district No. 77 on March 3, 1986, for the period July 1, 1986, to June 30, 1989; and

(3) granted a leave which was erroneously characterized in the "other" category on the leave of absence report submitted to the teachers retirement association.

(c) The period for service credit purchase is July 1, 1986, to June 30, 1989.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1998, an amount equal to the employee contribution rate or rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made and independent school district No. 77 (Mankato) must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 77 of its payment amount and payment due date if the eligible person makes the required payment.

(e) If independent school district No. 77 fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required school district payment be deducted from the next subsequent payment or payments of state education aid to the school district and be transmitted to the teachers retirement association.

Subd. 2. [INDEPENDENT SCHOOL DISTRICT NO. 199 (INVER GROVE HEIGHTS) TEACHER.] (a) Notwithstanding Minnesota Statutes, section 354.096, an eligible person described in paragraph (b) is entitled to purchase allowable service credit in the teachers retirement association for the period described in paragraph (c) by paying the amount specified in Minnesota Statutes, section 356.55, subdivision 2.

(b) An eligible person is a person who:

(1) was on medical leave for multiple sclerosis in the fall of 1990;

(2) was employed by independent school district No. 199 (Inver Grove Heights), during the period that the medical leave was taken; and

(3) was not properly notified of the deadline to purchase service credit for the medical leave period.

(c) The period for service credit purchase is 18 days of a period of medical leave during the fall of 1990.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1998, an amount equal to the employee contribution rate or rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made and independent school district No. 199 (Inver Grove Heights) must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 199 of its payment amount and payment due date if the eligible person makes the required payment.

(e) If independent school district No. 199 fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required school district payment be deducted from the next subsequent payment or payments of state education aid to the school district and be transmitted to the teachers retirement association.

Subd. 3. [PRE-JANUARY 1, 1998 LATE REPORTED QUALIFIED PART-TIME TEACHER PROGRAM AGREEMENT PERIODS.] (a) Notwithstanding any provision of Minnesota Statutes, section 354.66, to the contrary, an eligible person described in paragraph (b) is entitled to obtain allowable and formula service credit in the teachers retirement association for the period described in paragraph (c) upon the payment of the full service credit purchase amount specified in Minnesota Statutes, section 356.55.

(b) An eligible person is a person who rendered part-time teaching service after the end of the 1993-1994 school year and before the beginning of the 1998-1999 school year under an agreement with a school district or other applicable employer under Minnesota Statutes, section 354.66, that was executed before the applicable October 1, but was not filed by the employing unit with the teachers retirement association before the applicable October 1 deadline.

(c) The period for service credit purchase is the uncredited portion of a full year of service credit during the 1994-1995, 1995-1996, 1996-1997, and 1997-1998 school years where the uncredited period of service resulted solely from a failure of the employing unit to file the part-time teaching participation agreement with the teachers retirement association in a timely fashion.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before November 30, 1998, an amount equal to the employee contribution rate or rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made and the employing unit that agreed to the part-time teaching service participation program must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the chief administrative officer of the applicable employing unit of its payment amount and payment due date if the eligible person makes the required payment.



(e) If the applicable employing unit fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required employer payment be deducted from the next subsequent payment or payments of any state education or other aid to that employing unit and be transmitted to the teachers retirement association.

Subd. 4. [PURCHASE OF SERVICE CREDIT AUTHORIZATION; MIDDLE MANAGEMENT ASSOCIATION EMPLOYEE.] (a) Notwithstanding Minnesota Statutes, sections 352.01, subdivision 2, and 352.029, subdivision 1, and Minnesota Statutes 1997 Supplement, section 352.01, subdivision 2a, an eligible employee described in paragraph (b) is eligible for membership in the Minnesota state retirement system general plan and is eligible to purchase service credit in that plan as specified in paragraph (d).

(b) An eligible employee is a person who:

(1) has been employed by the middle management association since February 14, 1994; and

(2) was born on September 13, 1958.

(c) An eligible employee in paragraph (b) remains eligible for membership in the Minnesota state retirement system general plan, under this subdivision, while the individual remains employed by the middle management association or a successor organization providing contribution requirements and other general requirements for membership are met.

(d) An eligible employee under paragraph (b) is entitled to purchase service credit in the Minnesota state retirement system general plan for the period of service prior to the effective date of this act for service with the middle management association. An eligible employee may not purchase service credit for any period during which the employer has made contributions on behalf of the employee to a defined contribution pension plan or for any period during which the employee or the employer have made contributions to a defined benefit pension plan covering public, nonprofit, or private sector employees, other than a volunteer firefighter relief association governed by Minnesota Statutes, chapter 424A. Authority to make the payment terminates on July 1, 1999, or upon termination of employment with the middle management association, whichever is earlier.

Subd. 5. [INDEPENDENT SCHOOL DISTRICT NO. 13 (COLUMBIA HEIGHTS) TEACHER.] (a) Notwithstanding Minnesota Statutes, section 354.094, an eligible person described in paragraph (b) is entitled to purchase allowable and formula service credit in the teachers retirement association for the period described in paragraph (c) by paying the amount specified in Minnesota Statutes, section 356.55, subdivision 2.

(b) An eligible person for purposes of paragraph (a) is a person who was born on January 26, 1944, was initially hired by independent school district No. 13 (Columbia Heights) on August 30, 1967, was granted a five year extended leave of absence by independent school district No. 13 for the period July 1, 1994, through June 30, 1999, and was unable to make contributions under Minnesota Statutes, section 354.094, subdivision 1, because of the failure of independent school district No. 13 to timely forward the person's leave payment to the teachers retirement association.

(c) The period for service credit purchase is the extended leave of absence for the 1996-1997 school year.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1998, an amount equal to the employee, employer, and employer additional contribution rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made and independent school district No. 13 (Columbia Heights) must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 13 of its payment amount and payment due date if the eligible person makes the required payment.

(e) If independent school district No. 13 (Columbia Heights) fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required employer payment be deducted from any state education or other aid payable to independent school district No. 13 (Columbia Heights) and be transmitted to the teachers retirement association.

Subd. 6. [WINONA STATE UNIVERSITY FACULTY MEMBER.] (a) Notwithstanding Minnesota Statutes, section 354.094, an eligible person described in paragraph (b) is entitled to purchase allowable service credit in the teachers retirement association for the period described in paragraph (c) by paying the amount specified in Minnesota Statutes, section 356.55, subdivision 2.

(b) An eligible person for purposes of paragraph (a) is a person who was born on September 5, 1943, was initially hired by Winona state university on September 4, 1979, was granted an extended leave of absence by Winona state university on March 18, 1996, and was unable to make contributions under Minnesota Statutes, section 354.094, subdivision 1, because of the failure of Winona state university to timely submit the leave of absence report to the teachers retirement association.

(c) The period for service credit purchase is the first year of a three year extended leave of absence that began with the 1996-1997 school year.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1998, an amount equal to the employee, employer, and employer additional contribution rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made and Winona state university must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the president of Winona state university of its payment amount and payment due date if the eligible person makes the required payment.

(e) If Winona state university fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required employer payment be deducted from any appropriation to the Minnesota state colleges and universities system and be transmitted to the teachers retirement association.

Subd. 7. [INDEPENDENT SCHOOL DISTRICT NO. 621 (MOUNDS VIEW) TEACHER.] (a) Notwithstanding Minnesota Statutes, section 354.092, an eligible person described in paragraph (b) is entitled to purchase allowable service credit in the teachers retirement association for the period described in paragraph (c) by paying the amount specified in Minnesota Statutes, section 356.55, subdivision 2.

(b) An eligible person for purposes of paragraph (a) is a person who was born on December 19, 1940, was initially employed as a teacher on August 27, 1968, and is employed by independent school district No. 621 (Mounds View).

(c) The period for service credit purchase is the uncredited portion of a sabbatical leave during the 1984-1985 school year.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1998, an amount equal to the employee contribution rate or rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made independent school district No. 621 (Mounds View) must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive

director of the teachers retirement association must notify the superintendent of independent school district No. 621 of its payment amount and payment due date if the eligible person makes the required payment.

(e) If independent school district No. 621 fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required employer payment be deducted from the next subsequent payment or payments of state education aid to the school district be transmitted to the teachers retirement association.

Subd. 8. [INDEPENDENT SCHOOL DISTRICT NO. 709 (DULUTH) TEACHER.] (a) Notwithstanding any provision of Minnesota Statutes, chapter 354A, the articles of incorporation of the Duluth teachers retirement fund association, or the Duluth teachers retirement fund association bylaws to the contrary, an eligible person described in paragraph (b) is entitled to purchase allowable service credit in the Duluth teachers retirement fund association for the periods described in paragraph (c) by paying the amount specified in Minnesota Statutes, section 356.55, subdivision 2.

(b) An eligible person for purposes of paragraph (a) is a person who was born on October 29, 1942, was first employed by independent school district No. 709 on September 7, 1966, was granted a maternity leave that began on February 26, 1968, was employed by independent school district No. 709 on a less-than-full-time basis during the 1970-1971 and 1971-1972 school years, and was employed on a full-time contract basis from September 4, 1972, through the 1997-1998 school year.

(c) The period for service credit purchase is any portion of the period February 26, 1968, to September 4, 1972, that was not previously credited as allowable service by the Duluth teachers retirement fund association, but not to exceed one year of service credit for any school year.

Sec. 4. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective on the day following final enactment.

#### ARTICLE 5

#### JUDGES RETIREMENT PLAN CONTRIBUTION MODIFICATIONS

Section 1. Minnesota Statutes 1997 Supplement, section 15A.083, subdivision 5, is amended to read:

Subd. 5. [TAX COURT.] The salary of a judge of the tax court is ~~the same as~~ 98.52 percent of the salary for a district court judge. The salary of the chief tax court judge is ~~the same as~~ 98.52 percent of the salary for a chief district court judge.

Sec. 2. Minnesota Statutes 1997 Supplement, section 15A.083, subdivision 6a, is amended to read:

Subd. 6a. [ADMINISTRATIVE LAW JUDGE; SALARIES.] The salary of the chief administrative law judge is ~~the same as~~ 98.52 percent of the salary of a district court judge. The salaries of the assistant chief administrative law judge and administrative law judge supervisors are ~~95~~ 93.60 percent of the salary of a district court judge. The salary of an administrative law judge employed by the office of administrative hearings is ~~90~~ 88.67 percent of the salary of a district court judge as set under section 15A.082, subdivision 3.

Sec. 3. Minnesota Statutes 1997 Supplement, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals are ~~the same as~~ 98.52 percent of the salary for district court judges. The salary of the chief judge of the workers' compensation court of appeals is ~~the same as~~ 98.52 percent of the salary for a chief district court judge. Salaries of compensation judges are ~~90~~ 88.67 percent of the salary of district court judges.

The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.

Sec. 4. Minnesota Statutes 1996, section 490.123, subdivision 1a, is amended to read:

Subd. 1a. [MEMBER CONTRIBUTION RATES.] (a) A judge who is covered by the federal old age, survivors, disability, and health insurance program shall contribute to the fund from each salary payment a sum equal to ~~6.27~~ 8.00 percent of salary.

(b) A judge not so covered shall contribute to the fund from each salary payment a sum equal to 8.15 percent of salary.

(c) The contribution under this subdivision is payable by salary deduction.

Sec. 5. Minnesota Statutes 1996, section 490.123, subdivision 1b, is amended to read:

Subd. 1b. [EMPLOYER CONTRIBUTION RATE.] The employer contribution rate on behalf of a judge is ~~22~~ 20.5 percent of salary.

The employer contribution must be paid by the state court administrator and is payable at the same time as member contributions under subdivision 1a are remitted.

Sec. 6. Laws 1997, Second Special Session chapter 3, section 16, is amended to read:

Sec. 16. [SALARIES OF CONSTITUTIONAL OFFICERS, LEGISLATORS, AND JUDGES.]

(a) The salaries of constitutional officers are increased by 2.5 percent effective July 1, 1997, and by 2.5 percent effective January 1, 1998.

(b) The salaries of legislators are increased by 5.0 percent effective January 4, 1999.

(c) The salaries of the judges of the supreme court, court of appeals, and district court are increased by 4.0 percent effective July 1, 1997, and by 5.0 percent effective January 1, 1998, and by 1.5 percent effective July 1, 1998.

(d) Effective July 1, 1999, the salaries of judges of the supreme court, court of appeals, and district court are increased by the average of the general salary adjustments for state employees in fiscal year 1998 provided by negotiated collective bargaining agreements or arbitration awards ratified by the legislature in the 1998 legislative session.

(e) Effective January 1, 2000, the salaries of judges of the supreme court, court of appeals, and district court are increased by the average of the general salary adjustments for state employees in fiscal year 1999 provided by negotiated collective bargaining agreements or arbitration awards ratified by the legislature in the 1998 legislative session.

(f) The commissioner of employee relations shall calculate the average of the general salary adjustments provided by negotiated collective bargaining agreements or arbitration awards ratified by the legislature in the 1998 legislative session. Negotiated collective bargaining agreements or arbitration awards that do not include general salary adjustments may not be included in these calculations. The commissioner shall weigh the general salary adjustments by the number of full-time equivalent employees covered by each agreement or arbitration award. The commissioner shall calculate the average general salary adjustment for each fiscal year covered by the agreements or arbitration awards. The results of these calculations must be expressed as percentages, rounded to the nearest one-tenth of one percent. The commissioner shall calculate the new salaries for the positions listed in paragraphs (d) and (e) using the applicable percentages from the calculations in this paragraph and report them to the speaker of the house, the president of the senate, the chief justice of the supreme court, and the governor.

Sec. 7. [SALARY INCREASE CONDITIONED ON MEMBER CONTRIBUTION INCREASE.]

The increase in judicial salaries under section 6 is not applicable to a judge if the member contribution rate increase under section 4, paragraph (a), is not also deducted from the salary of the judge.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 through 7 are effective on July 1, 1998.

#### ARTICLE 6

### LOCAL POLICE AND FIRE RELIEF ASSOCIATION PENSION CHANGES

Section 1. [COLUMBIA HEIGHTS VOLUNTEER FIRE DEPARTMENT RELIEF ASSOCIATION; INCORPORATION AND PLAN RESTRUCTURING.]

Subdivision 1. [ORGANIZATION AND PLAN RESTRUCTURING.] Notwithstanding the provisions of Laws 1977, chapter 374, sections 38 to 60, as amended, the entity currently known as the "Columbia Heights fire department relief association, volunteer division" shall become incorporated under Minnesota Statutes, chapter 317A, and be known as the "Columbia Heights volunteer fire department relief association." The new entity will be governed by Minnesota Statutes, chapters 69, 317A, 356, 356A, and 424A, and any other laws applicable to volunteer fire department relief associations. The Columbia Heights volunteer fire department relief association may adopt the existing bylaws of the "Columbia Heights fire department relief association, volunteer division"; provided, however, that the bylaws must provide that future benefits payable to any member of the association are defined contribution lump sum service pensions under Minnesota Statutes, section 424A.02, subdivision 4.

Subd. 2. [BOARD RESTRUCTURING.] The board must be reconstituted in conformance with Minnesota Statutes, section 424A.04, within 90 days after the effective date of this section.

Sec. 2. [MINNEAPOLIS FIRE; OPTIONAL ANNUITY EXTENSION TO CERTAIN SURVIVORS.]

(a) Notwithstanding Laws 1997, chapter 233, article 4, section 18, the surviving spouse of any service pensioner or disability benefit recipient of the Minneapolis fire department relief association who died between July 1, 1997, and October 1, 1997, is entitled to a surviving spouse benefit equal to the 100 percent joint and survivor annuity amount which the decedent would have been eligible to select if the decedent had been entitled and able to select an optional annuity form on the date of death.

(b) The benefit under paragraph (a) is in lieu of any other survivor benefit payable from the Minneapolis fire department relief association.

(c) The benefit under this section accrues as of October 1, 1997, and is payable on the first day of the month next following the effective date of this section. The initial benefit payment must include the increase amounts retroactive to October 1, 1997.

Sec. 3. [EFFECTIVE DATE.]

(a) Section 1 is effective the day after approval by the Columbia Heights city council and compliance with Minnesota Statutes, section 645.021.

(b) Section 2 is effective upon approval by the city council of the city of Minneapolis and compliance with Minnesota Statutes, section 645.021, subdivision 3.

#### ARTICLE 7

### PERA CORRECTIONAL EMPLOYEE DISABILITY COVERAGE

Section 1. Minnesota Statutes 1997 Supplement, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] (a) Except as provided in paragraph (b), the employee contribution shall be an amount ~~(a)~~ (1) for a "basic member" equal to 8.75 percent of total salary; and ~~(b)~~ (2) for a "coordinated member" equal to 4.75 percent of total salary.

(b) For local government correctional service employees, as defined in section 353.33, subdivision 3a, the employee contribution is an amount equal to 4.96 percent of total salary.

(c) These contributions must be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution must be based on the total salary received from all sources.

Sec. 2. Minnesota Statutes 1996, section 353.27, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION.] (a) Except as provided in paragraph (b), the employer contribution shall be an amount equal to the employee contribution under subdivision 2.

(b) On behalf of local government correctional service employees, as defined in section 353.33, subdivision 3a, the employer contribution is an amount equal to 5.06 percent of total salary.

(c) This contribution shall be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 3. Minnesota Statutes 1996, section 353.33, subdivision 3a, is amended to read:

Subd. 3a. [CORRECTIONAL EMPLOYEE DISABILITY BENEFIT COVERAGE.] (a) For purposes of the disability benefit coverage provided under this subdivision, a local government correctional service employee is a person who:

(1) is an "essential employee" as defined in section 179A.03, subdivision 7;

(2) is employed in a county-administered jail or correctional facility or in a regional correctional facility administered by multiple counties;

(3) spends at least 75 percent of the employee's working time in direct contact with persons confined in the jail or facility, as certified by the employer to the executive director of the association before August 1, 1998, or within 30 days of employment in the qualifying county employment position, whichever is later; and

(4) is a "public employee" as defined in section 353.01, and is not a member of the public employees retirement association police and fire fund.

(b) A local government correctional employee who becomes disabled and physically or mentally unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that renders the employee physically or mentally unable to perform the employee's correctional facility duties, is entitled to a disability benefit based on covered service under this chapter only in an amount equal to 45 percent of the average salary defined in section 353.29, subdivision 2, plus an additional 1.8 percent for each year of service as a correctional service employee after July 1, 1998, in excess of 25 years.

(c) A local government correctional employee who has at least one year of covered correctional service under this subdivision and becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit under this paragraph based on covered correctional service. The disability benefit is an amount equal to 1.8 percent of average salary as defined in section 353.29, subdivision 2, for each year of covered correctional service under this subdivision. If a disability under this paragraph occurs after one year of covered correctional service but before ten years of covered service have been rendered, the disability benefit must be computed as though the member had ten years of covered service.

(d) If the eligible employee is entitled to receive a disability benefit as provided in paragraph (b) or (c) and has credit for less covered correctional service than the length of service upon which the correctional disability benefit is based, and also has credit for regular plan service, the

employee is entitled to a disability benefit or deferred retirement annuity based on the regular plan service only for the service that, when combined with the correctional service, exceeds the number of years on which the correctional disability benefit is based. The disabled employee who also has credit for regular plan service must in all respects qualify under section 353.33 to be entitled to receive a disability benefit based on the regular plan service, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on regular plan service must be augmented as provided in section 353.71 while the employee is receiving a disability benefit under this subdivision.

Subd. 3b. [OPTIONAL ANNUITY ELECTION.] A disabled member may elect to receive the normal disability benefit or an optional annuity under section 353.30, subdivision 3. The election of an optional annuity must be made prior to the commencement of payment of the disability benefit. The optional annuity must begin to accrue on the same date as provided for the disability benefit.

(1) If a person who is not the spouse of a member is named as beneficiary of the joint and survivor optional annuity, the person is eligible to receive the annuity only if the spouse, on the disability application form prescribed by the executive director, permanently waives the surviving spouse benefits under sections 353.31, subdivision 1, and 353.32, subdivision 1a. If the spouse of the member refuses to permanently waive the surviving spouse coverage, the selection of a person other than the spouse of the member as a joint annuitant is invalid.

(2) If the spouse of the member permanently waives survivor coverage, the dependent children, if any, continue to be eligible for survivor benefits under section 353.31, subdivision 1, including the minimum benefit in section 353.31, subdivision 1a. The designated optional annuity beneficiary may draw the monthly benefit; however, the amount payable to the dependent child or children and joint annuitant must not exceed the 70 percent maximum family benefit under section 353.31, subdivision 1a. If the maximum is exceeded, the benefit of the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount.

(3) If the spouse is named as the beneficiary of the joint and survivor optional annuity, the spouse may draw the monthly benefits; however, the amount payable to the dependent child or children and the joint annuitant must not exceed the 70 percent maximum family benefit under section 353.31, subdivision 1a. If the maximum is exceeded, each dependent child will receive ten percent of the member's specified average monthly salary, and the benefit to the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount. The joint and survivor optional annuity must be restored to the surviving spouse, plus applicable postretirement adjustments under section 356.41, as the dependent child or children become no longer dependent under section 353.01, subdivision 15.

Sec. 4. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective on July 1, 1998."

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; adjusting pension coverage for certain privatized public hospital employees; providing for increased survivor benefits relating to certain public employees murdered in the line of duty; authorizing certain service credit purchases; specifying prior service credit purchase payment amount determination procedures increasing salaries of various judges; modifying other judicial salaries; modifying the judges retirement plan member and employer contribution rates; authorizing the transfer of certain prior retirement contributions from the legislators retirement plan and from the elective state officers retirement plan; creating a contribution transfer account in the general fund of the state; appropriating money; reformulating the Columbia Heights volunteer firefighters relief association plan as a defined contribution plan under the general volunteer fire law; restructuring the Columbia Heights volunteer firefighter relief association board; modifying various higher education retirement plan provisions; modifying administrative expense provisions for various public pension plans; expanding the teacher retirement plans part-time teaching positions eligible to participate in the qualified full-time service credit for part-time teaching service program;

making certain Minneapolis fire department relief association survivor benefit options retroactive; providing increased disability benefit coverage for certain local government correctional facility employees; increasing local government correctional employee and employer contribution rates; providing increased survivor benefits to certain Minneapolis employee retirement fund survivors; authorizing certain Hennepin county regional park employees to change retirement plan membership; amending Minnesota Statutes 1996, sections 136F.45, by adding a subdivision; 136F.48; 352.96, subdivision 4; 352D.09, subdivision 7; 353.27, subdivision 3; 353.33, subdivision 3a; 353D.05, subdivision 3; 354.445; 354.66, subdivisions 2 and 3; 354A.094, subdivisions 2 and 3; 354B.23, by adding a subdivision; 354C.12, by adding a subdivision; 383B.52; 422A.23, subdivision 2; and 490.123, subdivisions 1a and 1b; Minnesota Statutes 1997 Supplement, sections 15A.083, subdivisions 5, 6a, and 7; 353.27, subdivision 2; 354B.25, subdivisions 1a and 5; and 354C.12, subdivision 4; Laws 1997, Second Special Session chapter 3, section 16; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1996, sections 11A.17, subdivisions 10a and 14; and 352D.09, subdivision 8; Minnesota Statutes 1997 Supplement, section 136F.45, subdivision 3."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

**S.F. No. 1615:** A bill for an act relating to health; moving the problem gambling program to the health department; funding the problem gambling program with profits from gambling; establishing program requirements; appropriating money; amending Minnesota Statutes 1996, sections 240.13, subdivision 2; 349.172, subdivision 5; 349A.06, subdivision 5; and 609.115, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1996, section 245.98.

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

Delete everything after the enacting clause and insert:

"Section 1. [245.982] [PROGRAM SUPPORT.]

In order to address the problem of gambling in this state, the compulsive gambling fund should attempt to assess the beneficiaries of gambling, on a percentage basis according to the revenue they receive from gambling, for the costs of programs to help problem gamblers and their families. In that light, the governor is requested to contact the chairs of the 11 tribal governments in this state and request a contribution of funds for the compulsive gambling program. The governor should seek a total supplemental contribution of \$643,000. Funds received from the tribal governments in this state shall be deposited in the Indian gaming revolving account to offset the appropriations contained in section 9.

Sec. 2. [245.983] [PUBLIC AWARENESS.]

The commissioner of human services shall establish a public service campaign using program funds and leveraging media contributions to create public awareness of the problems associated with gambling. This public service campaign shall operate in conjunction with other prevention efforts of the compulsive gambling program.

Sec. 3. Minnesota Statutes 1996, section 609.115, subdivision 9, is amended to read:

Subd. 9. [COMPULSIVE GAMBLING ASSESSMENT REQUIRED.] (a) If a person is convicted of a ~~felony~~ for theft under section 609.52, embezzlement of public funds under section 609.54, or forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in the report prepared under subdivision 1 whether or not compulsive gambling contributed to the commission of the offense. If so, the report shall contain the results of a compulsive gambling assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the offender to undergo the assessment if so indicated.



(b) The compulsive gambling assessment report must include a recommended level of treatment for the offender if the assessor concludes that the offender is in need of compulsive gambling treatment. The assessment must be conducted by an assessor qualified under section 245.98, subdivision 2a, to perform these assessments or to provide compulsive gambling treatment. An assessor providing a compulsive gambling assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor with a financial interest or referral relationship as authorized under rules adopted by the commissioner of human services under section 245.98, subdivision 2a.

(c) The commissioner of human services shall reimburse the assessor for the costs associated with a compulsive gambling assessment at a rate established by the commissioner up to a maximum of \$100 for each assessment. The commissioner shall reimburse these costs after receiving written verification from the probation officer that the assessment was performed and found acceptable.

Sec. 4. Laws 1994, chapter 633, article 7, section 3, is amended to read:

Sec. 3. [INDIAN GAMING REVOLVING ACCOUNT.]

The attorney general Indian tribal governments and the Minnesota state lottery shall deposit in a separate account in the state treasury all money received from Indian tribal governments and the state lottery for the purpose of defraying the attorney general's costs in providing legal services with respect to Indian gaming. Money in the account is appropriated to the attorney general for that purpose contributing to the compulsive gambling program.

Sec. 5. [PREVALENCE STUDY.]

The compulsive gambling program shall provide baseline prevalence studies to identify those at highest risk of developing a compulsive gambling problem, including a replication in 1999 of the 1994 adult prevalence survey.

Sec. 6. [BANKRUPTCY STUDY.]

The commissioner of human services, in consultation with the attorney general and commissioner of commerce, shall study changes in financial, bankruptcy, and credit laws that would protect innocent victims who are financially linked to a compulsive gambler, and shall report to the legislature by December 15, 1998.

Sec. 7. [EXTENDING ASSESSMENTS TO BANKRUPTCY AND FAMILY COURT PROCEEDINGS.]

The commissioner of human services shall study whether problem gambling assessments should be provided or required for individuals involved in bankruptcy or family court proceedings, and report to the legislature by December 15, 1998.

Sec. 8. [HEALTH CARE.]

The commissioners of health and commerce shall report to the legislature by December 15, 1998, on whether compulsive gambling treatment should be considered an addictive disorder treatment under current health care statutes.

Sec. 9. [COMPULSIVE GAMBLING APPROPRIATIONS.]

In addition to any other appropriations, \$332,000 is appropriated in fiscal year 1999 from the Minnesota lottery prize fund for the compulsive gambling program. In addition, up to \$643,000 is appropriated from the lottery prize fund to the compulsive gambling program if funds required under Minnesota Statutes, section 245.982, are not available. The funds are appropriated from the Indian gaming revolving account to the commissioner of human services, unless otherwise specified below.

Of the funds appropriated under this section, \$670,000 in fiscal year 1999 is appropriated to the

commissioner of human services for the establishment of fee-for-service projects. Fee-for-service funds under this appropriation may be awarded on a per-client basis to existing treatment centers and may be in addition to grants the centers currently receive. Baseline grants based on the last fiscal year client numbers and units of services provided constitute minimum appropriations to existing treatment centers, and upon meeting the contracted level of services, the treatment centers are eligible for fee-for-service funds on a per-client basis in addition to grants.

Of the funds appropriated under this section, \$20,000 in fiscal year 1999 is appropriated to the commissioner of human services for purposes of the bankruptcy study under section 6 and the bankruptcy and family court assessment study under section 7, and \$10,000 in fiscal year 1999 is appropriated to the commissioner of health for purposes of the health care study under section 8.

Of the funds appropriated under this section, \$225,000 in fiscal year 1999 is appropriated for the operation of prevention and education programs aimed at helping adult and adolescent gamblers, and for the completion of a prevalence study replication; of the appropriation under this paragraph, up to \$50,000 may be appropriated to the commissioner of human services for purposes of the public awareness campaign under section 2.

Of the funds appropriated under this section, \$50,000 in fiscal year 1999 is appropriated for operation of the hotline."

Delete the title and insert:

"A bill for an act relating to health; funding the problem gambling program with profits from gambling; establishing program requirements; appropriating money; amending Minnesota Statutes 1996, section 609.115, subdivision 9; Laws 1994, chapter 633, article 7, section 3; proposing coding for new law in Minnesota Statutes, chapter 245."

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

**S.F. No. 3084:** A bill for an act relating to reemployment insurance; providing additional benefits for certain individuals on layoff from a certain employer; providing an exemption from certain requirements.

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

Page 1, after line 18, insert:

"Sec. 2. [RETIREMENT EXCEPTION.]

Section 1 shall not apply to any claimant who, with respect to any period prior to September 1, 1998, receives, or has an agreement to receive, a retirement pension financed in whole or in part by the Hibbing Taconite Company."

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

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. 3046:** A bill for an act relating to transportation; defining road or highway; requiring certain expenditures from the trunk highway fund; establishing transportation spending goals;

creating a transportation trust fund primarily to provide state agencies and local governments with money to match federal transportation funds; proposing a constitutional amendment to dedicate all vehicle registration tax revenues and 20 percent of motor vehicle sales tax revenues to the transportation trust fund; requiring certain appropriations for the state patrol to be from the general fund; authorizing issuance of \$34,000,000 in state transportation bonds for local bridge grants; amending Minnesota Statutes 1996, sections 160.02, subdivision 7, and by adding a subdivision; 161.04, by adding a subdivision; 168.053, subdivisions 1 and 2; 168.056; 168.181, subdivisions 1 and 2; 168.211; 168.221; 174.01, by adding a subdivision; 297B.09, subdivision 1; 299D.01, by adding a subdivision; and 299D.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 168; and 174; repealing Minnesota Statutes 1996, sections 168.012, subdivision 12; 168.013, subdivision 8; 168.021, subdivision 4; 168.041, subdivision 11; 168.042, subdivision 15; 168.057; 168.091, subdivision 3; 168.123, subdivision 5; 168.128; 168.1292, subdivision 4; 168.231; and 168.82, subdivision 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. [174.40] [SURFACE TRANSPORTATION FUND.]

Subdivision 1. [FUND CREATED.] A surface transportation fund is created in the state treasury. The fund consists of all money appropriated or credited to the fund by law.

Subd. 2. [EXPENDITURES FROM FUND.] Money in the surface transportation fund may be expended by appropriation for costs related to any state surface transportation purpose, including, but not limited to: operating and capital assistance to transit, rail, and waterway systems; and construction, improvement, and maintenance of public highways.

Sec. 2. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment is proposed to the Minnesota Constitution, article XIV. If the amendment is adopted, the title of article XIV will be "TRANSPORTATION" and article XIV will be amended by adding a section to read:

Sec. 12. The legislature shall appropriate in each fiscal year for state surface transportation needs a minimum of 25 percent of the net proceeds from a sales or excise tax imposed by law on the purchase price of new and used vehicles.

Sec. 3. [SUBMISSION TO VOTERS.]

The constitutional amendment proposed in section 2 must be submitted to the people at the 1998 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to require that the legislature annually appropriate for state surface transportation needs at least 25 percent of net proceeds from the sales tax on new and used motor vehicles?"

Yes.....  
No....." "

Delete the title and insert:

"A bill for an act relating to transportation; creating surface transportation fund; dedicating motor vehicle sales tax revenues to transportation; proposing an amendment to the Minnesota Constitution by adding a section to article XIV."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Ms. Berglin from the Committee on Human Resources Finance, to which was referred**

**S.F. No. 3367:** A bill for an act relating to economic development; appropriating money for housing, economic development, and related purposes; establishing pilot projects; providing for a municipal reimbursement; modifying certain loan criteria; requiring studies; establishing a revolving loan fund; requiring the commissioner of labor and industry to provide a brochure; regulating housing; uniform acts; unclaimed property; enacting the Uniform Unclaimed Property Act of 1995; making conforming changes; amending Minnesota Statutes 1996, sections 16A.45, subdivisions 1 and 4; 80C.03; 116J.415, subdivision 5; 198.231; 276.19, subdivision 4; 308A.711, subdivisions 1 and 2; 356.65, subdivision 2; 462A.222, subdivision 3; 474A.061, subdivision 2a; and 624.68; Minnesota Statutes 1997 Supplement, sections 16A.6701, subdivision 1; 116J.421, subdivision 1, and by adding a subdivision; and 462A.05, subdivision 39; proposing coding for new law in Minnesota Statutes, chapters 116J; 181; 345; and 471; repealing Minnesota Statutes 1996, sections 345.31; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42; 345.43; 345.44; 345.45; 345.46; 345.47; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; and 345.60; Minnesota Statutes 1997 Supplement, section 345.48.

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

Page 2, lines 2 and 3, delete "\$40,051,000" and insert "\$40,261,000"

Page 2, line 9, delete "1,465,000" and insert "1,775,000"

Page 2, line 26, delete "\$500,000" and insert "\$710,000"

Page 3, after line 57, insert:

"(l) \$50,000 is for a grant to Hennepin county for the planning and development, in cooperation with a task force created by the city of Minneapolis, of a circulator vehicle pilot project for the purposes of:

(1) connecting the Minneapolis convention center and other major locations in downtown Minneapolis with multicultural tourist, heritage, and cultural resources in the Phillips, Stevens Square, Whittier, Central, Powderhorn, Seward, Loring Park, and Cedar-Riverside neighborhoods in Minneapolis and contributing to the revitalization of those neighborhoods by increasing urban tourism;

(2) generating additional spending by expanding the selection of tourism activities provided by the convention center and downtown Minneapolis; and

(3) promoting state and local tourism activities which provide a richer, more culturally diverse experience of Minneapolis urban life as an alternative to larger, more commercial attractions.

(m) \$50,000 is for a grant to Ramsey county for the planning and development, in cooperation with a task force created by the city of St. Paul, of a circulator vehicle pilot project for the purposes of:

(1) connecting the St. Paul convention center and other major locations in downtown St. Paul with multicultural tourist, heritage, and cultural resources in the Eastside, Westside, Thomas-Dale, Dayton's Bluff, Summit Avenue, and Crocus Hill neighborhoods in St. Paul and contributing to the revitalization of those neighborhoods by increasing urban tourism;

(2) generating additional spending by expanding the selection of tourism activities provided by the convention center and downtown St. Paul; and

(3) promoting state and local tourism activities which provide a richer, more culturally diverse experience of St. Paul urban life as an alternative to larger, more commercial attractions."

Page 8, line 1, after the period, insert "Notwithstanding section 462A.206, this appropriation shall be used to provide housing for families and persons with incomes less than or equal to 80 percent of the greater of state or area median income."

Page 9, line 45, delete "250,000" and insert "150,000"

Page 13, line 26, after the comma, insert "including schools,"

Page 49, after line 12, insert:

"Sec. 31. [FISCAL IMPACT; DEPARTMENT STUDY.]

The department of commerce shall monitor the collection of fees under sections 1 to 29 for the period July 1, 1998, to December 31, 1998, and compare it to the collections for the year-earlier period. If the department determines sections 1 to 29 have caused a reduction in the number of holder reports, it shall develop recommendations for legislation to eliminate any negative fiscal impact caused by that reduction. The department shall report by February 15, 1999, the results of the monitoring and any recommendations to the house and senate budget divisions having jurisdiction over the department's budget."

Page 55, after line 33, insert:

#### "ARTICLE 4

#### INDIVIDUAL DEVELOPMENT ACCOUNTS

Section 1. [119C.01] [ESTABLISHMENT.]

The Minnesota family assets for independence initiative is established to provide incentives for low-income families to accrue assets for education, housing, and economic development purposes.

Sec. 2. [119C.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 119C.01 to 119C.08, the terms defined in this section have the meanings given them.

Subd. 2. [FAMILY ASSET ACCOUNT.] "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.

Subd. 4. [FIDUCIARY ORGANIZATION.] "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 268.53;

(2) a community development credit union that:

(i) has a dual mission of promoting community development and providing high quality services to predominantly low-income people;

(ii) serves an investment area or targeted population;

(iii) provides development services in conjunction with equity investments or loans, directly or through a subsidiary or affiliate;

(iv) maintains, through representation on its governing board or otherwise, accountability to residents of its investment area or targeted population; and

(v) is not an agency or instrumentality of the United States, or of the state or a political subdivision of the state; or

(3) WomenVenture.

Subd. 5. [ELIGIBLE EDUCATIONAL INSTITUTION.] "Eligible educational institution" means:

(1) an institution described in United States Code, title 20, section 1088(a)(1) or section 1141(a); and

(2) an area vocational education school as defined in United States Code, title 20, section 2471(4)(C) or (D).

Subd. 6. [FINANCIAL INSTITUTION.] "Financial institution" means an office of a bank, trust company, savings bank, savings association, or credit union.

Subd. 7. [POST-SECONDARY EDUCATIONAL EXPENSES.] "Post-secondary educational expenses" means:

(1) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution; and

(2) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

Subd. 8. [QUALIFIED ACQUISITION COSTS.] "Qualified acquisition costs" means the costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs.

Subd. 9. [QUALIFIED BUSINESS.] "Qualified business" means any business that does not contravene any law or public policy.

Subd. 10. [QUALIFIED BUSINESS CAPITALIZATION EXPENSES.] "Qualified business capitalization expenses" means qualified expenditures for the capitalization of a business pursuant to a qualified plan.

Subd. 11. [QUALIFIED EXPENDITURES.] "Qualified expenditures" means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

Subd. 12. [QUALIFIED PLAN.] "Qualified plan" means a business plan that:

(1) is approved by a financial institution, or by a nonprofit loan fund or microenterprise program that has demonstrated fiduciary integrity;

(2) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

(3) may require the participant to obtain the assistance of an experienced entrepreneurial advisor.

Subd. 13. [QUALIFIED PRINCIPAL RESIDENCE.] "Qualified principal residence" means a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986, the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to paragraphs (2) and (3) of section 143(e) of the Internal Revenue Code of 1986.

Subd. 14. [FEDERAL POVERTY LEVEL.] "Federal poverty level" means the poverty income guidelines published in the calendar year by the United States Department of Health and Human Services.

Subd. 15. [HOUSEHOLD.] "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

Sec. 3. [119C.03] [GRANTS APPLICATION.]

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to fiduciary organizations to provide family asset services under this chapter for up to four years.

Subd. 2. [APPLICATIONS.] A fiduciary organization may apply to the commissioner for a grant to provide family asset services. The application must be submitted in a form approved by the commissioner and must include:

(1) a proposal for the provision of family asset services, including program objectives, number of participating households, match rate, availability of adequate funding, appropriateness of the proposed services for the population to be served, and outreach activities;

(2) a proposed budget;

(3) a plan for collection of required data and the method to be used for program evaluation;

(4) evidence of the participation in the development of the application of any agency or governmental body that will provide services or assistance to the program; and

(5) any other information the commissioner may require.

Subd. 3. [DUTIES.] A fiduciary organization that receives a grant under this chapter shall:

(1) establish an account in which all funds provided to the organization for the purpose of the family assets for independence initiative are deposited;

(2) determine whether an applicant household is eligible to participate in the family assets for independence initiative;

(3) select, from eligible households, the households best suited to participate, with preference given to individuals residing within neighborhoods or communities that experience low rates of income or employment;

(4) develop, with the household, a family asset agreement;

(5) provide households with economic literacy education, including information on budgeting, use of credit, homeownership, and long-term financial planning;

(6) provide matching deposits for households selected to participate;

(7) coordinate with homeownership programs administered by the commissioner of the Minnesota housing finance agency;

(8) establish a grievance committee and a procedure to hear, review, and decide in writing any grievance made by a household; and

(9) comply with all requirements of this chapter and of the commissioner related to administration of the grants.

Sec. 4. [119C.04] [HOUSEHOLD ELIGIBILITY; PARTICIPATION.]

Subdivision 1. [INITIAL ELIGIBILITY.] To be eligible for the family assets for independence initiative, the household's income must be below 150 percent of the federal poverty level. An individual who is a dependent of another person for federal income tax purposes may not be a separate eligible household for purposes of this chapter, but may be included in the household of the taxpayer who claims the individual as a dependent if they meet the definition of household in section 119C.02, subdivision 15. In verifying income eligibility, the fiduciary organization shall apply procedures and policies consistent with procedures and policies used under the low-income home energy assistance program.

Subd. 2. [PARTICIPATION.] To participate in the family assets for independence initiative, a household must:

- (1) be selected by a fiduciary organization;
- (2) enter into a family asset agreement with a fiduciary organization; and
- (3) open a savings account at a financial institution.

Subd. 3. [FAMILY ASSET AGREEMENT; CONTENTS.] The fiduciary organization and the household must develop a family asset agreement for the household. The family asset agreement must include the amount of the household's regularly scheduled contribution to their savings account, the household's savings goal, and how the household will use savings and matching funds for one or more permissible uses. The household must agree to complete an economic literacy training program. A family asset agreement may be amended upon agreement by the household and the fiduciary organization.

Subd. 4. [INDIVIDUAL CONTRIBUTIONS.] A household may only deposit money in a family asset account that is derived from earned income of members of the household and income from state and federal earned income credits of members of the household.

Sec. 5. [119C.05] [WITHDRAWAL; MATCHING; PERMISSIBLE USES.]

Subdivision 1. [WITHDRAWAL OF FUNDS.] To receive a match upon withdrawal of funds from a family asset account, a participant must make a request for withdrawal of funds and agree to transfer withdrawn funds to the fiduciary organization. The fiduciary organization must determine whether the request for withdrawal of funds is for a permissible use consistent with this section and the household's family asset agreement. A "permissible use" means using funds to pay for:

- (1) post-secondary educational expenses;
- (2) qualified home acquisition costs;
- (3) qualified business capitalization expenses; or
- (4) amounts paid for repairs to a qualified principal residence to comply with city housing or health and safety codes or for other major repairs or improvements to a qualified principal residence.

Subd. 2. [MATCHING.] If the request for withdrawal is approved, a household's account will be matched at the time of withdrawal based on the balance in the household's account, including interest, at the time of withdrawal. Matches must be provided as follows:

- (1) from the funds provided by the commissioner, a matching contribution of \$2 for every \$1 of funds withdrawn from the family asset account;
- (2) from funds other than those provided by the commissioner, a matching contribution of no less than \$2 for every \$1 of funds withdrawn from the family asset account.

The maximum match under clause (1) is \$1,200 of state funds per account per year.



Subd. 3. [VENDOR PAYMENT OF WITHDRAWN FUNDS.] Upon receipt of withdrawn funds, the fiduciary organization shall make a direct payment to the vendor of the goods or services being purchased by the household.

Sec. 6. [119C.07] [REPORTING; EVALUATION.]

Subdivision 1. [PROGRAM REPORTING.] Each fiduciary organization operating a family assets for independence initiative program shall report annually to the commissioner the number of accounts, the amount of savings and matches for each account, the uses of the account, and the number of businesses, homes, and educational services paid for with money from the account, as well as other information that may be required for the state to operate the program effectively.

Subd. 2. [STATE REPORTING.] The commissioner shall prepare a written report annually regarding the family assets for independence program. The report shall be submitted to the legislature on or before January 15 of 2000 and each subsequent year.

Subd. 3. [EVALUATION.] The commissioner shall conduct an evaluation of the family assets for independence initiative that analyzes the program's impact on savings rates, homeownership, level of education attained, and self-employment, and how such impacts vary among different populations and communities. The commissioner shall report to the legislature on the evaluation by January 15, 2003.

Sec. 7. [119C.08] [ECONOMIC LITERACY CURRICULUM.]

The fiduciary organization shall develop an economic literacy curriculum for use by fiduciary organizations participating in the family assets for independence initiative."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "providing for the Minnesota family assets for independence initiative;"

Page 1, line 20, after "471;" insert "proposing coding for new law as Minnesota Statutes, chapter 119C;"

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

## **SECOND READING OF SENATE BILLS**

S.F. Nos. 2550, 2489, 2099, 695, 2670, 3084 and 3367 were read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. No. 2222 was read the second time.

## **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Vickerman moved that S.F. No. 2611, No. 10 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Kelley, S.P. moved that S.F. No. 2718, No. 36 on General Orders, be stricken and re-referred to the Committee on Human Resources Finance. The motion prevailed.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

**Mr. Ourada introduced--**

**S.F. No. 3368:** A bill for an act relating to utilities; replacing public utility capital structure approval with security issuance approval; defining telephone company; amending Minnesota Statutes 1996, sections 216B.49, subdivisions 3 and 4; and 237.01, subdivision 2; repealing Minnesota Statutes 1996, section 216B.49, subdivision 2.

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

**Mr. Johnson, D.E. introduced--**

**S.F. No. 3369:** A bill for an act relating to education; authorizing a grant for districts participating in the enhanced pairing program; appropriating money.

Referred to the Committee on Children, Families and Learning.

**Mr. Novak introduced--**

**S.F. No. 3370:** A bill for an act relating to taxes; sales and use taxes; changing an effective date for the exemption for wind energy conversion systems; amending Laws 1997, chapter 231, article 7, section 47.

Referred to the Committee on Taxes.

**Mr. Kelly, R.C. introduced--**

**S.F. No. 3371:** A bill for an act relating to landlord tenant; nuisance; requiring a legal services program to provide representation in certain nuisance cases; allowing a neighborhood organization to bring a nuisance action; defining nuisance per se and providing minimum damages in private nuisance actions; allowing a neighborhood organization to appear without an attorney in certain actions; modifying the definition of nuisance activity; allowing appointment of an administrator for certain nuisance buildings; amending Minnesota Statutes 1996, sections 480.242, by adding a subdivision; 561.01; 566.18, subdivisions 2 and 9; 566.19; and 566.20, subdivision 1; Minnesota Statutes 1997 Supplement, sections 566.18, subdivision 6; 617.81, subdivision 2; and 617.88; proposing coding for new law in Minnesota Statutes, chapter 617.

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

**Mr. Kelly, R.C. introduced--**

**S.F. No. 3372:** A bill for an act relating to taxation; providing a sales tax exemption for building materials purchased for use in constructing certain low-income housing to be built by offenders; amending Minnesota Statutes 1997 Supplement, section 297A.25, subdivision 11.

Referred to the Committee on Taxes.

**Mr. Samuelson introduced--**

**S.F. No. 3373:** A bill for an act relating to health and family security; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; appropriating money.

Referred to the Committee on Human Resources Finance.

**Messrs. Price, Cohen, Metzen, Betzold and Frederickson introduced--**

**S.F. No. 3374:** A bill for an act relating to state government; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; appropriating money; amending Minnesota Statutes 1996, sections 16A.105; 16A.11, subdivision 3a; Minnesota Statutes 1997 Supplement, section 16A.641, subdivision 4; amending Laws 1994, chapter 643, section 2, subdivision 13; Laws 1997, chapter 202, article 1, section 35, as amended; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on State Government Finance.

**MEMBERS EXCUSED**

Mr. Johnson, D.J. was excused from the Session of today from 9:30 to 10:15 a.m. Ms. Wiener was excused from the Session of today from 9:30 to 10:25 a.m. Mr. Terwilliger was excused from the Session of today from 9:30 a.m. to 12:00 noon. Mr. Novak was excused from the Session of today from 10:25 a.m. to 12:00 noon and 2:00 to 3:30 p.m. Mr. Lessard was excused from the Session of today from 1:05 to 3:00 p.m. Mr. Ourada was excused from the Session of today from 1:30 to 2:15 p.m. Mr. Metzen was excused from the Session of today from 3:50 to 4:40 p.m. Mr. Neville and Ms. Olson were excused from the Session of today at 5:00 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Wednesday, February 25, 1998. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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