STATE OF MINNESOTA

Journal of the Senate

EIGHTY-FIRST LEGISLATURE

SIXTY-SEVENTH DAY

St. Paul, Minnesota, Monday, May 17, 1999

Scheid Solon Spear Stevens Stumpf Ten Eyck Terwilliger Vickerman Wiener Wiger Ziegler

The Senate met at 9:00 a.m. and was called to order by the President.

RECESS

Senator Moe, R.D. moved that the Senate do now recess until 11:00 a.m. The motion prevailed.

The hour of 11;00 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Stacy Offner.

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

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

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed with the Secretary of the Senate: Department of Human Services, Civil Service Pilot Projects, 1999; Department of Human Services, Coverage of Rehabilitative and Therapeutic Services, 1999; University of Minnesota, Center for Transportation Studies, Annual Report, 1998; Office of Governor Jesse Ventura, Compulsive Gambling, 1999;

Department of Human Services, Dental Services Access Report, 1999; Department of Agriculture, Minnesota Agricultural Land Preservation Program, 1998; Iron Range Resources and Rehabilitation Board, Biennial Report, 1997-98; Department of Human Services, Demonstration Project for People with Disabilities, 1999; Capitol Area Architectural and Planning Board, Biennial Report, 1998-99; Capitol Area Architectural and Planning Board, Policy for Works of Art in the Minnesota State Capitol, 1998.

MESSAGES FROM THE HOUSE

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. 1876: A bill for an act relating to public finance; imposing and modifying conditions and limitations on the use of public debt; reenacting certain provisions relating to taxes, abatements, and tax increments; requiring a study of the taxation of forest land; amending Minnesota Statutes 1998, sections 126C.55, subdivision 7; 272.02, by adding a subdivision; 373.01, subdivision 3; 410.32; 412.301; 469.015, subdivision 4; 469.155, subdivision 4; 473.39, by adding a subdivision; 475.56; and 475.60, subdivisions 1 and 3.

Senate File No. 1876 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1999

Senator Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 1876, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1762, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1762: A bill for an act relating to transportation; modifying state contract requirements; allowing department of transportation to contract for land surveying; clarifying requirements for notaries and filing corrections to maps and plats relating to highways; providing for transfer of certain revolving loan accounts to transportation revolving loan fund; correcting trunk highway route description; modifying filing requirements for highway route location orders; increasing dollar amount for contracts negotiated by commissioner of transportation for highway construction or maintenance work; modifying provisions for estimates and agency costs relating to county state-aid highway and municipal state-aid street funds; authorizing commissioner of transportation to determine dates for seasonal load restrictions; modifying provision requiring certification for disbursement from state transportation fund; requiring commissioner of transportation to be responsible for design, construction, and operation of commuter rail; establishing design approval process for commuter rail; creating commuter rail corridor coordinating committee; changing period of hours of service exemption for drivers transporting sugar beets; authorizing commissioner to convey excess rail bank corridor land to state agency or political subdivision; modifying provisions governing state grants for local airports; limiting powers and duties of counties with respect to light rail and commuter rail transit planning; modifying deadlines for metropolitan transit performance evaluation reports by metropolitan council; establishing priority order for light rail transit construction; requiring metropolitan council to develop regional master plan for transit; making technical corrections; appropriating money; amending Minnesota Statutes 1998, sections 16C.05, subdivision 2; 16C.09; 160.085, subdivisions 1 and 1a; 161.04, subdivision 3, and by adding a subdivision; 161.115, subdivision 164; 161.16,

subdivision 2; 161.32, subdivision 2; 162.06, subdivisions 1, 2, and 6; 162.12, subdivisions 1, 2, and 5; 169.87, subdivision 2; 174.02, by adding a subdivision; 174.50, subdivision 5; 221.0314, subdivision 9a; 222.63, subdivision 4; 360.0151, subdivision 2; 360.032, subdivision 1a; 360.305, subdivision 4; 398A.04, subdivision 2; 446A.085, subdivisions 3 and 6; 473.1466; 473.399; 473.3993, subdivision 3; and 473.3994, subdivisions 3, 4, and 10; Laws 1998, chapter 404, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1998, sections 169.832, subdivision 13; 473.3994, subdivision 12; and 473.3998.

Senate File No. 1762 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1999

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2226, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2226: A bill for an act relating to state government; appropriating money for environmental, natural resource, and agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 1998, sections 14.386; 16A.531, by adding a subdivision; 16B.171, as amended; 17.038; 17.102, subdivision 4; 17.109, subdivisions 1 and 3; 17.115, subdivision 3; 17.116, subdivision 3; 17.117, subdivision 3; 17.457, subdivision 10; 17.59, subdivision 5; 17.85; 17.982, subdivision 1; 17.983, subdivision 1; 17A.11; 17B.15, subdivision 1; 18B.05, subdivision 1; 18B.26, subdivision 5; 18C.131; 18E.02, subdivision 5; 18E.03, subdivision 1; 21.115; 21.116; 21.90, subdivision 3; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 28A.08, subdivision 3; 29.22, subdivision 5; 31.94; 31.95, subdivision 3a; 31B.06; 32.21, subdivision 4; 32.394, subdivision 9; 41B.044, subdivision 2; 84.027, subdivision 15; 84.0855, subdivision 2, and by adding a subdivision; 84.81, by adding a subdivision; 84.8205, by adding a subdivision; 84.83, subdivisions 3 and 4; 84.86, subdivision 1; 84.862, subdivisions 1 and 2; 84.872, subdivision 1; 84.91, subdivision 1; 84.98, subdivision 6; 84A.55, subdivision 5; 85.015, subdivision 4, and by adding a subdivision; 85.019, subdivision 2, and by adding subdivisions; 85.40, subdivision 5; 85.41, subdivisions 1, 4, and 5; 85.42; 85.44; 85.45, 85. subdivision 1; 88.067; 89A.01, by adding a subdivision; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07, subdivisions 3 and 5; 89A.10; 92.45; 92.46, subdivision 1; 97A.075, subdivision 1; 97B.020; 103G.271, subdivision 6; 115.55, subdivision 5a; 115A.908, subdivision 2; 115A.9651, subdivision 6; 115B.175, subdivision 2; 115B.39, subdivision 2; 115B.40, subdivisions 2, 3, 4, 5, 6, 7, and 8; 115B.405, subdivision 1; 115B.412, subdivision 3; 115B.42; 115B.43, subdivision 1; 115B.442, by adding a subdivision; 115B.445; 115B.48, subdivision 8; 116.072, subdivision 1; 116.073, subdivisions 1 and 2; 1160.09, subdivision 5; 169.121, subdivision 3; 169.1217, subdivisions 7a and 9; 169.123, subdivision 1; 171.07, subdivisions 12 and 13; 216C.41, subdivision 2; 223.17, subdivision 3; 231.16; 232.22, subdivision 3; 233.08; 236.02, subdivision 4; 290.431; 290.432; 446A.072, subdivision 4; 574.263; and 574.264, subdivision 1; Laws 1994, chapter 643, section 27, subdivision 2, as amended; Laws 1995, chapter 220, section 142, as amended; and Laws 1998, chapter 401, section 53; proposing coding for new law in Minnesota Statutes, chapters 18; 28A; 31B; 41B; 84; 85; 97C; 103G; 115B; and 116; repealing Minnesota Statutes 1998, sections 115A.981; 297H.13, subdivisions 3 and 6; and 473.845, subdivision 2.

Senate File No. 2226 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1999

JOURNAL OF THE SENATE

MOTIONS AND RESOLUTIONS

Senators Frederickson and Vickerman introduced--

Senate Resolution No. 87: A Senate resolution congratulating Lewis Larson on being named among the nation's top 50 music educators.

Referred to the Committee on Rules and Administration.

RECESS

Senator Moe, R.D. moved that the Senate do now recess until 1:00 p.m. The motion prevailed.

The hour of 1:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1876: Senators Pogemiller, Betzold and Olson.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senators Moe, R.D. and Day introduced--

Senate Resolution No. 88: A Senate resolution honoring Shirley Larson upon her retirement from 16 years of dedicated concessions service to the Minnesota legislature.

WHEREAS, Shirley Larson began operation of the second floor concession stand at the State Capitol, dubbed the Capitol Canteen, in 1983 with her husband, Roger; and

WHEREAS, Shirley and Roger worked extremely long hours, serving snacks, chips, coffee, soda pop, and the always popular hot dogs and Polish sausages; and

WHEREAS, Shirley's diligent efforts over the past 16 years made it possible for legislators, staffers, media, and members of the general public to partake of a meal or a snack at all hours of the day or night without missing legislative business; and

WHEREAS, the Larsons expanded their culinary offerings at the Capitol Canteen to include ice cream bars, sandwiches, and highly nutritious options such as various juices; and

WHEREAS, Shirley conscientiously kept vending machines around the State Capitol filled with a variety of snacks and beverages; and

WHEREAS, Shirley Larson will be retiring from her work at the Capitol Canteen after the 1999 Legislative Session, unless, of course, the new operators need some of her expertise initially, or call on her for occasional relief; and

WHEREAS, Shirley and Roger will soon move into a new apartment where they assuredly will enjoy their retirement together; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it recognizes the exemplary service provided by Shirley Larson to the Minnesota Senate and the entire State of Minnesota.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chair of the Senate Rules and Administration Committee, and transmit it to Shirley Larson.

Senator Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

S.F. No. 174 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 174

A bill for an act relating to crime prevention; requiring certain persons committed as mentally ill and dangerous to the public to register as predatory sex offenders and to be subject to the community notification law; amending Minnesota Statutes 1998, sections 243.166, subdivisions 1, 2, and 6; and 244.052, subdivision 1.

May 11, 1999

The Honorable Allan H. Spear President of the Senate

The Honorable Steve Sviggum Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 0174, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 174 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2); or

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; or 609.3451, subdivision 3; or

(iv) indecent exposure under section 617.23, subdivision 3; or

(2) the person was charged with or petitioned for falsely imprisoning a minor in violation of section 609.255, subdivision 2; soliciting a minor to engage in prostitution in violation of section 609.322 or 609.324; soliciting a minor to engage in sexual conduct in violation of section 609.352; using a minor in a sexual performance in violation of section 617.246; or possessing pictorial representations of minors in violation of section 617.247, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances; or

(3) the person was convicted of a predatory crime as defined in section 609.108, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal; or

(4) the person was convicted of or adjudicated delinquent for violating a law of the United States similar to the offenses described in clause (1), (2), or (3).

(b) A person also shall register under this section if:

(1) the person was convicted of or adjudicated delinquent in another state for an offense that would be a violation of a law described in paragraph (a) if committed in this state;

(2) the person enters the state as required in subdivision 3, paragraph (b); and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or federal jurisdiction, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or federal jurisdiction;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or federal jurisdiction.

Sec. 2. Minnesota Statutes 1998, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under subdivision 1, paragraph (a), is sentenced or becomes subject to a juvenile court disposition order, the court shall tell the person of the duty to register under this section. The court shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. If a person required to register under subdivision 1, paragraph (a), was not notified by the court of the registration requirement at the time of sentencing or disposition, the assigned corrections agent shall notify the person of the requirements of this section. When a person who is required to register under subdivision 1, paragraph (c) or (d), is released from commitment, the treatment facility shall notify the person of the requirements of this section. The treatment facility shall also obtain the registration information required under this section and forward it to the bureau of criminal apprehension.

Sec. 3. Minnesota Statutes 1998, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18 or 253B.185, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to register following a change in

residence, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 4. Minnesota Statutes 1998, section 244.052, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "confinement" means confinement in a state correctional facility or a state treatment facility;

(2) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release; and

(3) "sex offender" and "offender" mean a person who has been:

(i) convicted of an offense for which registration under section 243.166 is required or a person who has been;

(ii) committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, regardless of whether the person was convicted of any offense; or

(iii) committed pursuant to a court commitment order under section 253B.18, under the circumstances described in section 243.166, subdivision 1, paragraph (d).

Sec. 5. Minnesota Statutes 1998, section 244.052, subdivision 4, is amended to read:

Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO PUBLIC.] (a) The law enforcement agency in the area where the sex offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), if the agency determines that disclosure of the information that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall consider employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency also may shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a sex offender to risk level II or III, a law enforcement agency may not make the disclosures permitted <u>or required</u> by clause (2) or (3), if: the offender is placed or resides in a residential facility that is licensed as a residential program, as defined in section 245A.02, subdivision 14, by the commissioner of human services under chapter 254A, or the commissioner of corrections under section 241.021; and the facility and its staff are trained in the supervision of sex offenders. However, if an offender is placed or resides in a licensed facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence. The head of the facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency <u>may shall</u> make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who decides to disclose discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the department of corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official that decides to disclose who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency may shall continue to disclose information on an offender under as required by this subdivision for as long as the offender is required to register under section 243.166.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1999, and apply to persons released from commitment on or after that date. Section 5 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to crime prevention; requiring certain persons committed as mentally ill and dangerous to the public to register as predatory sex offenders and to be subject to the community notification law; imposing mandatory disclosure requirements under the community notification law; amending Minnesota Statutes 1998, sections 243.166, subdivisions 1, 2, and 6; and 244.052, subdivisions 1 and 4."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Jane B. Ranum, Don Betzold, Thomas M. Neuville

House Conferees: (Signed) Dave Bishop, Barb Haake, Wesley J. "Wes" Skoglund

67TH DAY]

Senator Ranum moved that the foregoing recommendations and Conference Committee Report on S.F. No. 174 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 174 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed 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 Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has repassed Senate File No. 303, notwithstanding the veto of the Honorable Jesse Ventura, Governor of the State.

S.F. No. 303: A bill for an act relating to civil actions; clarifying admissibility of evidence regarding seat belts and child passenger restraint systems in certain actions; amending Minnesota Statutes 1998, section 169.685, subdivision 4.

The enrolled copy of S.F. No. 303, with all of the signatures of the officers of the Senate and the House together with the Governor's objections, is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1999

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. 1262: A bill for an act relating to civil actions; limiting liability from year 2000 failures; proposing coding for new law as Minnesota Statutes, chapter 604B.

Senate File No. 1262 is herewith returned to the Senate.

Solon Spear Stevens Stumpf Ten Eyck Terwilliger Vickerman Wiener Wiger Ziegler

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1999

CONCURRENCE AND REPASSAGE

Senator Limmer moved that the Senate concur in the amendments by the House to S.F. No. 1262 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1262 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Oliver	
Belanger	Janezich	Langseth	Olson	
Berg	Johnson, D.E.	Larson	Ourada	S
Berglin	Johnson, D.H.	Lesewski	Pappas	
Betzold	Johnson, D.J.	Lessard	Pariseau]
Day	Johnson, J.B.	Limmer	Piper	
Dille	Kelley, S.P.	Lourey	Pogemiller	1
Fischbach	Kelly, R.C.	Marty	Ranum	V
Flynn	Kierlin	Metzen	Robling	,
Foley	Kiscaden	Moe, R.D.	Runbeck	2
Frederickson	Kleis	Murphy	Sams	
Hanson	Knutson	Neuville	Scheevel	
Higgins	Krentz	Novak	Scheid	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1621, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1621 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1999

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1621

A bill for an act relating to the environment; modifying provisions relating to judicial review of agency decisions; modifying requirements for incinerator monitors; amending Minnesota Statutes 1998, sections 115.05, subdivision 11; and 116.85, subdivision 3.

May 15, 1999

The Honorable Steve Sviggum Speaker of the House of Representatives

The Honorable Allan H. Spear President of the Senate

We, the undersigned conferees for H.F. No. 1621, report that we have agreed upon the items in dispute and recommend as follows:

3086

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Mike Osskopp, Chris Gerlach, Dan Larson

Senate Conferees: (Signed) Linda I. Higgins, James P. Metzen, Dave Kleis

Senator Higgins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1621 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1621 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1932, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1932 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1999

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1932

A bill for an act relating to insurance; regulating rental vehicle coverages; requiring a study of rental car availability; amending Minnesota Statutes 1998, sections 60K.03, subdivision 7; and 72A.125, subdivisions 1 and 2.

May 15, 1999

The Honorable Steve Sviggum Speaker of the House of Representatives

The Honorable Allan H. Spear President of the Senate

We, the undersigned conferees for H.F. No. 1932, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Loren Jennings, Gregory M. Davids, Erik Paulsen

Senate Conferees: (Signed) Linda Scheid, Edward C. Oliver, Sam G. Solon

Senator Scheid moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1932 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1932 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Pappas

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2387, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2387 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1999

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2387

A bill for an act relating to transportation; appropriating money for the department of transportation and other agencies; providing for a maximum percentage of the motorcycle safety fund that may be spent for certain activities; authorizing suspension of a vehicle's registration in

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certain circumstances; requiring a detachable postcard to be provided in a vehicle's certificate of title and completed on transfer of the vehicle; modifying provisions relating to disability parking privileges; abolishing certain credit for vehicle registration fee; specifically authorizing cities to enact ordinances regulating long-term parking; requiring the department of public safety to provide photo identification equipment to certain driver's license agents; reducing cost of Minnesota identification card for persons with serious and persistent mental illness; authorizing siting of public safety radio communications towers; directing commissioner of transportation to establish a southern railway corridor improvement plan; clarifying snowmobile gas tax provision; regulating advertising in department of public safety publications; modifying provisions relating to special number plates for collector aircraft; amending Minnesota Statutes 1998, sections 121A.36, subdivision 3; 168.021, subdivision 2; 168.17; 168.301, subdivision 3; and 4; 168A.05, subdivision 5; 168A.10, subdivisions 1, 2, and 5; 168A.30, subdivision 2; 169.345, subdivisions 1, 2, 3, and 4; 169.346, subdivision 3, and by adding a subdivision; 171.061, subdivision 4; 171.07, subdivision 3; 174.70; 296A.18, subdivision 3; 299A.01, by adding a subdivision; and 360.55, subdivision 4; Laws 1997, chapter 159, article 1, sections 2, subdivision 7; and 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; and 219.

May 16, 1999

The Honorable Steve Sviggum Speaker of the House of Representatives

The Honorable Allan H. Spear President of the Senate

We, the undersigned conferees for H.F. No. 2387, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2387 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION AND OTHER AGENCIES

APPROPRIATIONS

Section 1. [TRANSPORTATION AND OTHER AGENCIES APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1999," "2000," and "2001," where used in this act, mean that the appropriations listed under them are available for the year ending June 30, 1999, June 30, 2000, or June 30, 2001, respectively. If the figures are not used, the appropriations are available for the year ending June 30, 2000, or June 30, 2001, respectively. The term "first year" means the year ending June 30, 2000, and the term "second year" means the year ending June 30, 2001. Appropriations for the year ending June 30, 1999, are in addition to appropriations made in previous years.

SUMMARY BY FUND

	2000	2001	TOTAL
General	\$ 85,231,000	\$ 80,853,000	\$166,084,000
Airports	19,386,000	19,469,000	38,855,000
C.S.A.H.	365,063,000	366,624,000	731,687,000
Highway User	15,480,000	15,575,000	31,055,000
M.S.A.S.	105,549,000	107,394,000	212,943,000
Special Revenue	947,000	965,000	1,912,000
Trunk			
Highway	1,044,984,000 1,056,111,000 2,101,095,000		

TOTAL

\$1,636,640,000 \$1,646,991,000 \$3,283,631,000

APPROPRIATIONS Available for the Year Ending June 30 2000 2001

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation

1,468,751,000

The appropriations in this section are from the trunk highway fund, except when another fund is named.

Su	immary by Fund	
	2000	2001
General	16,515,000	16,385,000
Airports	19,336,000	19,419,000
C.S.A.H.	365,063,000	366,624,000
M.S.A.S.	105,549,000	107,394,000
Trunk Highway	962,288,000	972,250,000
	1 (C (1)	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Aeronautics

19,327,000 19

19,410,000

Airports	19,266,000	19,349,000
General	50,000	50,000
Trunk Highway	11,000	11,000

Except as otherwise provided, the appropriations in this subdivision are from the state airports fund.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Airport Development and Assistance

2000	2001
13,948,000	13,948,000

\$12,846,000 the first year and \$12,846,000 the second year are for navigational aids, construction grants, and maintenance grants. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

These appropriations must be spent in accordance with Minnesota Statutes, section 360.305, subdivision 4.

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(b) Aviation Support 5,247,000	5,329,000		
\$65,000 the first year and year are for the civil air path			
(c) Air Transportation Servic	ces		
132,000	133,000		
Summa	ry by Fund		
Airports	71,000	72,000	
General	50,000	50,000	
Trunk Highway	11,000	11,000	
Subd. 3. Transit		16,206,000	16,224,000
Summa	ary by Fund		
General Trunk Highway	15,882,000 324,000	15,892,000 332,000	
The amounts that may b appropriation for each activ			
(a) Greater Minnesota Transi Assistance	it		
15,406,000	15,406,000		
This appropriation is from the unencumbered balance the cancel but is available for this this amount, \$405,000 each the the base.	first year does not the second year. Of		
(b) Transit Administration 800,000	818,000		
Summa	ary by Fund		
General Trunk Highway	476,000 324,000	486,000 332,000	
Subd. 4. Railroads and Wate	erways	1,623,000	1,565,000
Summa	ary by Fund		
General Trunk Highway	359,000 1,264,000	266,000 1,299,000	
\$100,000 the first year is fro for the development of th corridor improvement plan section 34. This appropriation to the agency's budget base.	e southern railway n under article 2, on may not be added		
Subd. 5. Motor Carrier Regu	ilation	2,851,000	2,865,000
Summa	ary by Fund		
General	116,000	119,000	
Trunk Highway	2,735,000	2,746,000	
\$301 000 the first year and 9	\$249,000 the second		

\$301,000 the first year and \$249,000 the second

year from the trunk highway fund are for administration of passenger carrier registration.

Subd. 6. Local Roads

470,612,000

366,624,000 107,394,000 474,018,000

Summary by Fund

C.S.A.H.	365,063,000
M.S.A.S.	105,549,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) County State Aids 365,063,000 366,624,000

This appropriation is from the county state-aid highway fund and is available until spent.

(b) Municipal State Aids	
105,549,000	107,394,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chair of the transportation finance committee of the house of representatives and the chair of the transportation budget division of the senate of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

The commissioner shall study and determine the extent to which local bridge needs that may be addressed by state grants for the construction and reconstruction of local bridges would be affected by making the following changes in eligibility for those grants:

(1) allowing grants to be used for the costs of flood-related erosion protection;

(2) allowing grants to be used for construction of water-retention projects where such a project is more cost efficient than replacement of an existing bridge;

(3) allowing grants to be made for bridges that are functionally obsolete; and

(4) allowing grants to be used for construction of bridges on new alignments.

The commissioner shall report to the legislature on the results of the study by February 1, 2000. 67TH DAY]

Subd. 7. State Roads		912,625,000
Sum	mary by Fund	
General	59,000	9,000
Trunk Highway	912,566,000	923,760,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

It is estimated that these appropriations will be funded as follows:

Federal Highway Aid

275,000,000	275,000,000
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Highway User Taxes

241,684,000 246,707,000

The commissioner of transportation shall notify the chair of the transportation budget division of the senate and chair of the transportation finance committee of the house of representatives quarterly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

The commissioner may transfer up to \$15,000,000 each year to the trunk highway revolving loan account.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

(b) Highway Debt Service	
13,949,000	13,175,000

\$3,949,000 the first year and \$3,175,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on state government finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. 923,769,000

Any excess appropriation must be canceled to the trunk highway fund.

(c) Research and Investment Management 12,450,000 12,597,000

\$600,000 the first year and \$600,000 the second year are available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available to (1) regional development commissions, and (2) in regions where no regional development commission is functioning, joint powers boards established under agreement of two or more political subdivisions in the regional development commission, and (3) in regions where no regional development commission or joint powers board is functioning, the department's district office for that region.

\$216,000 the first year and \$216,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 the first year and \$25,000 the second year are for transportation planning relating to the 2000 census. This appropriation may not be added to the agency's budget base.

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

- (d) Central Engineering Services 68,563,000 70,940,000
- (e) Design and Construction Engineering 80,592,000 83,246,000

\$1,000,000 the first year and \$500,000 the second year are for transportation planning relating to the 2000 census. This appropriation may not be added to the agency's budget base.

(f) State Road Operations 214,703,000 216,561,000

\$1,000,000 each year are for enhancements to the freeway operations program in the metropolitan area.

\$1,000,000 the first year and \$1,000,000 the second year are for maintenance services including rest area maintenance, vehicle insurance, ditch assessments, and tort claims.

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\$3,000,000 the first year and \$3,000,000 the second year are from the trunk highway fund for additional line personnel and related equipment and supplies in highway maintenance and program delivery, based upon an agreement between the department and the exclusive bargaining representative concerning the distribution of additional line positions among program delivery and maintenance in metropolitan and nonmetropolitan districts. The agreement must be presented to the chairs of the house and senate transportation committees before these funds can be expended. If an agreement is not reached before October 1, 1999, these appropriations cancel.

\$3,000,000 the first year and \$1,000,000 the second year are for improved highway striping.

\$500,000 the first year and \$500,000 the second year are for safety technology applications.

\$150,000 the first year and \$150,000 the second year are for statewide asset preservation and repair.

\$750,000 the first year and \$750,000 the second year are for the implementation of the transportation worker concept.

The commissioner shall establish a task force to study seasonal road restrictions and report to the legislature its findings and any recommendations for legislative action. The commissioner shall appoint members representing:

- (1) aggregate and ready-mix producers;
- (2) solid waste haulers;
- (3) liquid waste haulers;
- (4) the logging industry;
- (5) the construction industry; and
- (6) agricultural interests.

The task force shall report to the legislature by February 1, 2000, on its findings and recommendations.

(g) Electronic Communications 5,684,000	5,543,000		
3,084,000	5,545,000		
Summary by Fund			
General	59,000	9,000	
Trunk Highway	5,625,000	5,534,000	

\$9,000 the first year and \$9,000 the second year are from the general fund for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$50,000 the first year from the general fund is for purchase of equipment for the 800 MHz public safety radio system.

\$200,000 the first year is from the trunk highway fund for costs resulting from the termination of agreements made under article 2, sections 31 and 89. This appropriation does not cancel but is available until spent.

In each year of the biennium the commissioner shall request the commissioner of administration to request bids for the purchase of digital mobile and portable radios to be used on the metropolitan regional public safety radio communications system.

Subd. 8. General Support

Summary by Fund

General	49,000	49,000
Airports	70,000	70,000
Trunk Highway	41,612,000	40,327,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Management

28,523,000 29,181,000	
-----------------------	--

The commissioner shall implement at the earliest feasible date the commissioner's technical memorandum no. 99-14-TS-02, outlining the process to convert plans, specifications, and estimates to the English system of measurement. The commissioner shall report by January 15, 2000, to the chairs of the house and senate committees on transportation policy and transportation finance on the status and schedule of English measurement conversion.

(b) General Services

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Summary by Fund

General	49,000	49,000
Airports	70,000	70,000
Trunk Highway	13,089,000	11,146,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$2,500,000 the first year and \$500,000 the second year are from the trunk highway fund for implementation of the department's plan for shared information resources.

Subd. 9. Buildings

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41,731,000

40,446,000

3,776,000

3,775,000

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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 10. Transfers

(a) The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers under this paragraph may not be made between funds. Transfers must be reported immediately to the chair of the transportation budget division of the senate and the chair of the transportation finance committee of the house of representatives.

(b) The commissioner of finance shall transfer from the flexible account in the county state-aid highway fund \$4,400,000 the first year and \$4,500,000 the second year to the municipal turnback account in the municipal state-aid street fund, \$5,000,000 in the second year to the trunk highway fund, and the remainder in each year to the county turnback account in the county state-aid highway fund.

Subd. 11. Use of State Road Construction Appropriations

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2000 is available to the commissioner during fiscal years 2000 and 2001 to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated.

The commissioner of transportation shall report to the commissioner of finance by August 1, 2000, and August 1, 2001, on a form the commissioner of finance provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

Subd. 12. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation (1) for trunk

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highway design, construction, order to take advantage of receipt of income to the trunk for trunk highway maintenance an emergency, or (3) to environmental claims. The amo appropriated for the purpose which it is transferred.	an unanticipated highway fund, (2) e in order to meet o pay tort or ount transferred is	1) ; ;	
Sec. 3. METROPOLITAN CC TRANSIT	DUNCIL	56,801,00	53,101,000
The council may not sp \$38,100,000 for metro mobility biennium except for proceeds when use of those proceeds for capital expenditures is authorized	in the 2000-2001 from bond sales or metro mobility	5	
Sec. 4. PUBLIC SAFETY			
Subdivision 1. Total Appropriation		110,046,00	00 110,776,000
	Summary	y by Fund	
		2000	2001
General		11,915,000	11,367,000
Trunk Highway		81,829,000	82,994,000
Highway User		15,355,000	15,450,000
Special Revenue		947,000	965,000
Subd. 2. Administration and Related Services		12,740,00	00 12,976,000
Summary	by Fund		
General	4,478,000	4,555,000	
Trunk Highway	6,877,000	7,036,000	
Highway User	1,385,000	1,385,000	
(a) Office of Communications			
374,000	382,000		
Summary	by Fund		
General	20,000	20,000	
Trunk Highway	354,000	362,000	
(b) Public Safety Support			
7,653,000	7,811,000		
Summary	by Fund		
General	3,014,000	3,085,000	
Trunk Highway	3,273,000	3,360,000	
Highway User	1,366,000	1,366,000	

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\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$244,000 the first year and \$314,000 the second year are to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

\$508,000 the first year and \$508,000 the second year are for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

\$1,830,000 the first year and \$1,830,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 1999, and December 31, 2000, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

\$610,000 the first year and \$610,000 the second year are appropriated from the highway user tax distribution fund for transfer bv the commissioner of finance to the trunk highway fund on December 31, 1999, and December 31, 2000, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user distribution fund purposes in the tax administration and related services program.

\$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer bv the commissioner of finance to the general fund on December 31, 1999, and December 31, 2000, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

(c) Technical Support Services

4,713,000 4,783,000

Summary by Fund

General

1,444,000

1,450,000

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			L
Trunk Highway	3,250,000	3,314,000	
Highway User 19,000		19,000	
Subd. 3. State Patrol		57,378,000	57,311,000
	Summary by Fund		
	2000	2001	
General	3,499,000	2,675,000	
Trunk Highway	53,788,000	54,544,000	
Highway User	91,000	92,000	
(a) Patrolling Highwa	nys		
47,028,000	46,804,000		
	Summary by Fund		
General	835,000	-0-	
Trunk Highway	46,193,000	46,804,000	
for replacement of a	eneral fund the first year is state patrol helicopter. This of be added to the agency's		
trooper candidates a patrol entry-level rec	ear is for annual hiring of and operation of the state ruit training academy. This of be added to the agency's		
(b) Commercial Vehi	cle Enforcement		
6,013,000	6,117,000		
This appropriation is fund.	s from the trunk highway		
(c) Capitol Security			
2,627,000	2,638,000		
This appropriation is	from the general fund.		
year from the gene	ar and \$217,000 the second eral fund are for capitol or the protection of elected		
(d) State Patrol Suppo	ort		
1,710,000	1,752,000		
	Summary by Fund		
General	37,000	37,000	
Trunk Highway	1,582,000	1,623,000	
Highway User	91,000	92,000	
Subd. 4. Driver and Vehicle Services		38,677,000	39,214,000
	Summary by Fund		

Summary by Fund

	2000	2001	
General	3,938,000	4,137,000	
Trunk Highway	20,860,000	21,104,000	
Highway User	13,879,000	13,973,000	
(a) Vehicle Registration and Title			
15,269,000	15,510,000		
Summary by Fund			
General	3,291,000	3,473,000	
Highway User	11,978,000	12,037,000	

\$45,000 the first year is from the highway user tax distribution fund for purchase of an optical scanner. This appropriation may not be added to the agency's budget base.

\$548,000 the first year and \$415,000 the second year are from the highway user tax distribution fund for increased vehicle license plate costs.

\$98,000 the first year is from the highway user tax distribution fund for computer programming related to disabled parking records management and enforcement. This amount may not be added to the agency's budget base.

\$33,000 the first year and \$127,000 the second year are from the general fund for implementation of the vehicle transfer reporting system under article 2, sections 10 and 11.

(b) Interstate Registration

and Reciprocity

1,584,000 1,613,000

This appropriation is from the highway user tax distribution fund.

(c) Licensing Drivers

21,176,000	21,429,000
21,1,0,000	<i>L</i>1, <i>L</i>2,0000

Summary by Fund

General	635,000	652,000
Trunk Highway	20,464,000	20,699,000
Highway User	77,000	78,000

\$1,095,000 the first year and \$800,000 the second year are from the trunk highway fund for improved driver testing services.

(d) Driver and Vehicle Services

Support

648,000 662,000

Sum	nary by Fund			
General	12,000)	12,000	
Trunk Highway	396,000)	405,000	
Highway User	240,000)	245,000	
Subd. 5. Traffic Safety			304,000	310,000
This appropriation is from fund.	m the trunk highw	ay		
Subd. 6. Pipeline Safety			947,000	965,000
This appropriation is from account in the special reve		ety		
Sec. 5. MINNESOTA SA	FETY COUNCIL		67,000	67,000
This appropriation is from fund.	m the trunk highw	ay		
Sec. 6. GENERAL CONT ACCOUNTS	INGENT		375,000	375,000
The appropriations in this spent with the approval consultation with the commission pursuant to section 3.30.	of the governor aft legislative adviso	er ry		
If an appropriation in this is insufficient, the approp year is available for it.				
Sum	nary by Fund			
Trunk Highway	200,000)	200,000	
Highway User	125,000)	125,000	
Airports	50,000)	50,000	
Sec. 7. TORT CLAIMS			600,000	600,000
To be spent by the com	missioner of finance	ce.		
This appropriation is from the trunk highway fund.				
If the appropriation for either year is insufficient, the appropriation for the other year is available for it.				
Sec. 8. Laws 1997, chapter 159, article 1, section 2, subdivision 7, is amended to read:				
Subd. 7. State Roads	9,00	0,000	807,314,000	817,712,000
	Summa	ary by Fund		
	1997	1998	19	99
General		109,00	0	109,000
Trunk Highway	9,000,000	807,205,00	0 817	,603,000
The amounts that may	be spent from th	nic		

The amounts that may be spent from this appropriation for each activity are as follows:

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(a) State Road Construction

9,000,000

445,822,000

445,838,000

It is estimated that these appropriations will be funded as follows:

Federal Highway Aid

225,000,000 225,000,000 Highway User Taxes

220,822,000 220,838,000

The commissioner of transportation shall notify the chair of the transportation budget division of the senate and chair of the transportation budget division <u>finance committee</u> of the house of representatives quarterly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

The appropriation for fiscal year 1997 is for state road construction and is added to the appropriations in Laws 1995, chapter 265, article 2, section 2, subdivision 7, clause (a). The commissioner, with the approval of the commissioner of finance, may spend up to \$7,100,000 of this appropriation for state road operations for flood relief efforts.

Of this appropriation, up to \$15,000,000 the first year and up to \$15,000,000 the second year may be transferred by the commissioner to the trunk highway revolving loan account if this account is created in the trunk highway fund.

The commissioner of transportation may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

Before proceeding with a project, or a series of projects on a single highway, with a cost exceeding \$10,000,000, the commissioner shall consider the feasibility of alternative means of financing the project or series of projects, including but not limited to congestion pricing, tolls, mileage pricing, and public-private partnership.

(b) Highway Debt Service 15,161,000 13,539,000 \$5,951,000 the first year and \$5,403,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on state government finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

(c) Research and Investment Management 11,606,000 11,791,000

\$600,000 the first year and \$600,000 the second year are available for grants for transportation studies outside the metropolitan area for transportation studies to identify critical concerns, problems, and issues. These grants are regional available to (1)development commissions, and (2) in regions where no regional development commission is functioning, joint-powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission, and (3) in regions where no regional development commission or joint powers board is functioning, the department's district office for that region.

\$216,000 the first year and \$216,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$154,000 the first year and \$181,000 the second year are for development of an upgraded transportation information system for making investment decisions.

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Central Engineering Services 56,593,000 57,384,000

Of these appropriations, \$2,190,000 the first year and \$2,190,000 the second year are for scientific equipment. If the appropriation for either year is

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100.000

205,403,000

insufficient, the appropriation for the other year is available for it.

(e) Design and Construction	on Engineering
69,445,000	70,879,000
(f) Charles Development in a	

(f) State Road Operation	ions		
202,431,000	205,503,000		
:	Summary by Fund		
General	100,000		

Trunk Highway 202,331,000

\$11,689,000 the first year and \$11,689,000 the second year are for road equipment. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$805,000 each year is for the Orion intelligent transportation system research project.

\$100,000 the first year and \$100,000 the second year are from the general fund for grants to the Minnesota highway safety center at St. Cloud State University for driver education.

(g) Electronic Communicati	ions		
6,256,000	12,778,000		
Summary by Fund			
General	9,000	9,000	
Trunk Highway	6,247,000	12,769,000	

\$9,000 the first year and \$9,000 the second year are from the general fund for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$1,730,000 the first year and \$8,170,000 the second year are for the purchase of ancillary equipment for the 800 MHz system and for personnel necessary to develop, install, and operate the system. This appropriation does not cancel but is available until spent.

Sec. 9. Laws 1997,	chapter 159, a	rticle 1, section 4,	subdivision 3, is ame	nded to read:
Subd. 3. State Patrol		226,000	51,215,000	51,717,000
Summary by Fund				
	1997	1998	1999	
General	226,000	2,058,000	2,181,000)
Trunk Highway		49,067,000	49,446,000)
Highway User		90,000	90,000)

The commissioner of finance shall reduce the appropriations for the division of state patrol from the trunk highway fund and general fund as necessary to reflect legislation enacted in 1997 that (1) reduces state contributions for pensions for employees under the division of state patrol from the trunk highway fund or general fund, or (2) provides money for those pensions from police state aid.

Of the appropriation for fiscal year 1997, \$76,000 is for transfer to the trunk highway fund and \$150,000 is to reimburse the state patrol for general fund expenditures to cover the costs of deploying state patrol troopers to the city of Minneapolis to assist the city in combating violent crime.

\$600,000 the first year and \$1,200,000 the second year from the trunk highway fund are to implement wage increases for state patrol troopers, trooper 1s, and corporals. The wage adjustments are based on an internal Hay study conducted by the department of employee relations.

\$1,675,000 the first year and \$424,000 the second year from the trunk highway fund and \$93,000 the first year and \$22,000 the second year from the general fund are for the development and operational costs of computer-aided dispatching, records management, and station office automation systems.

\$78,000 the first year and \$78,000 the second year from the general fund are for additional capitol complex security positions.

The commissioner of public safety shall identify and implement measures to increase the representation of females and minorities in the state patrol so that the trooper population more accurately reflects the population served by the state patrol. These measures must include:

(1) evaluation of hiring and training programs to identify and eliminate any biases against underutilized, protected groups;

(2) expansion of outreach programs to high schools to include informational presentations on law enforcement careers and law enforcement degree programs;

(3) intensification of recruitment efforts toward qualified members of protected groups;

(4) provision of guidance and support to students in law enforcement degree programs;

(5) publication of employment opportunities in newspapers with substantial readership among protected groups; and

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(6) development of other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action in the state patrol.

The commissioner shall report to the senate transportation committee and the house of representatives transportation and transit committee by January 30, 1998, on the measures implemented, results achieved, progress made in reaching affirmative action goals, and recommendations for future action.

When an otherwise qualified candidate does not have the educational credits to meet the current peace officer standards and training board licensing standards, the commissioner may provide the financial resources to obtain the education necessary to meet the licensing requirements. Of this appropriation, \$150,000 the second year from the general fund is for assistance to these otherwise qualified individuals to prepare them for the trooper candidate school beginning in January 1999. This appropriation does not cancel but is available until spent.

ARTICLE 2

TRANSPORTATION DEVELOPMENT

Section 1. Minnesota Statutes 1998, section 121A.36, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] (a) All funds in the motorcycle safety fund created by section 171.06, subdivision 2a, are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund to the commissioner of children, families, and learning at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdivisions 1 and 2.

(b) Of the money appropriated under paragraph (a):

(1) In each of fiscal years 1997, 1998, and 1999, not more than \$25,000, and in subsequent years not more than five percent, shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2; and

(2) In each of fiscal years 1997, 1998, and 1999, not more than 65 percent, and in subsequent years not more than 60 percent, shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations.

Sec. 2. Minnesota Statutes 1998, section 168.011, subdivision 35, is amended to read:

Subd. 35. [LIMOUSINE.] For purposes of motor vehicle registration only, "Limousine" means an unmarked a luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver.

Sec. 3. Minnesota Statutes 1998, section 168.012, subdivision 1, is amended to read:

Subdivision 1. [VEHICLES EXEMPT FROM TAX AND REGISTRATION FEES.] (a) The

following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul; and

(6) ambulances owned by ambulance services licensed under section 144E.10, the general appearance of which is unmistakable; and

(7) vehicles owned by a commercial driving school licensed under section 171.34 and used exclusively for driver education and training.

(b) Vehicles owned by the federal government, municipal fire apparatus including fire suppression support vehicles, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, liquor investigations, arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the departments of revenue and labor and industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the division of disease prevention and control of the department of health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the division of disease prevention and control.

(f) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, or licensed commercial driving school, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required

identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 4. Minnesota Statutes 1998, section 168.013, subdivision 2, is amended to read:

Subd. 2. [PRORATED FEES.] When a motor vehicle first becomes subject to taxation during the registration period for which the tax is paid, or when a vehicle becomes subject to taxation upon transfer from a motor vehicle dealer, the tax shall be for the remainder of the period prorated on a monthly basis, 1/12 of the annual tax for each calendar month or fraction thereof; provided, however, that for a vehicle having an annual tax of \$10 or less there shall be no reduction until on and after September 1 when the annual tax shall be reduced one-half.

Sec. 5. Minnesota Statutes 1998, section 168.013, subdivision 6, is amended to read:

Subd. 6. [LISTING BY DEALERS.] The owner of every motor vehicle not exempted by section 168.012 or 168.28, shall, so long as it is subject to taxation within the state, list and register the same and pay the tax herein provided annually; provided, however, that any dealer in motor vehicles, to whom dealer's plates have been issued as provided in this chapter, coming into the possession of any such motor vehicle to be held solely for the purpose of sale or demonstration or both, shall be entitled to withhold the tax becoming due on such vehicle for the following year if the vehicle is received before the current year registration expires and the transfer is filed with the registrar on or before such expiration date. When, thereafter, such vehicle is otherwise used or is sold, leased, or rented to another person, firm, corporation, or association, the whole tax for the remainder of the year, prorated on a monthly basis, shall become payable immediately with all arrears.

Sec. 6. Minnesota Statutes 1998, section 168.021, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF PLATES; FURNISHING BY REGISTRAR.] The registrar of motor vehicles shall design and furnish two license number plates with attached emblems to each eligible owner. The emblem must bear the internationally accepted wheelchair symbol, as designated in section 16B.61, subdivision 5, approximately three inches square. The emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant eligible for the special plates shall pay the motor vehicle registration fee authorized by law less a credit of \$1 for each month registered.

Sec. 7. Minnesota Statutes 1998, section 168.17, is amended to read:

168.17 [SUSPENSION OF REGISTRATION.]

All registrations and issue of number plates shall be subject to amendment, suspension, modification or revocation by the registrar summarily for any violation of or neglect to comply with the provisions of this chapter or when the transferee fails to comply with section 168A.10, subdivision 2, within 30 days of the date of sale. In any case where the proper registration of a motor vehicle is dependent upon procuring information entailing such delay as to unreasonably deprive the owner of the use of the motor vehicle, the registrar may issue a tax receipt and plates conditionally. In any case when revoking a registration for cause, the registrar shall have authority to demand the return of the number plates and registration certificates, and, if necessary, to seize the number plates issued for such registration.

Sec. 8. Minnesota Statutes 1998, section 168.301, subdivision 3, is amended to read:

Subd. 3. [LATE FEE.] In addition to any fee or tax otherwise authorized or imposed upon the transfer of title for a motor vehicle, the commissioner of public safety shall impose a \$2 additional fee for failure to deliver a title transfer within 14 ten days.

Sec. 9. Minnesota Statutes 1998, section 168.301, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] When the commissioner has suspended license plates on a vehicle because the transferee has failed to deliver file the title certificate within ten 30 days as provided in subdivision 1, the transferee shall pay a \$5\$10 fee before the registration is reinstated.

Sec. 10. Minnesota Statutes 1998, section 168A.05, subdivision 5, is amended to read:

Subd. 5. [ASSIGNMENT AND WARRANTY OF TITLE FORMS.] (a) The certificate of title shall contain forms:

(1) for assignment and warranty of title by the owner, and;

(2) for assignment and warranty of title by a dealer, and shall contain forms for applications;

(3) to apply for a certificate of title by a transferee, and the naming of;

(4) to name a secured party, and shall include language necessary to implement; and

(5) to make the disclosure required by section 325F.6641.

(b) The certificate of title must also include a separate detachable postcard entitled "Notice of Sale" that contains, but is not limited to, the vehicle's title number and vehicle identification number. The postcard must include sufficient space for the owner to record the purchaser's name, address, and driver's license number, if any, and the date of sale. The Notice of Sale must include clear instructions regarding the owner's responsibility to complete and return the form, or to transmit the required information electronically in a form acceptable to the commissioner, pursuant to section 168A.10, subdivision 1.

Sec. 11. Minnesota Statutes 1998, section 168A.10, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT AND WARRANTY OF TITLE; MILEAGE; NOTICE OF <u>SALE</u>.] If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee and shall state the actual selling price in the space provided therefor on the certificate. Within ten days of the date of sale, other than a sale by or to a licensed motor vehicle dealer, the owner shall: (1) complete, detach, and return to the department the postcard on the certificate entitled "Notice of Sale," if one is provided, including the transferee's name, address, and driver's license number, if any, and the date of sale; or (2) transmit this information electronically in a form acceptable to the commissioner. With respect to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be delivered to the transferee immediately.

Sec. 12. Minnesota Statutes 1998, section 168A.10, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR NEW CERTIFICATE.] Except as provided in section 168A.11, the transferee shall, within ten days after assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided therefor on the certificate, and cause the certificate of title to be mailed or delivered to the department. Failure of the transferee to comply with this subdivision shall result in the suspension of the vehicle's registration under section 168.17.

Sec. 13. Minnesota Statutes 1998, section 168A.10, subdivision 5, is amended to read:

Subd. 5. [COMPLIANCE REMOVES LIABILITY AFTER DELIVERY.] Except as provided in section 168A.11 and as between the parties, a transfer by an owner is not effective until the provisions of this section have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied, or within 48 hours after such delivery 67TH DAY]

does comply, with the provisions of this section requiring action by the owner is not liable as owner for any damages resulting from operation of the vehicle after the delivery of the vehicle to the transferee. An owner is not liable who has complied with the provisions of this section except for completing and returning the Notice of Sale or transmitting the required information electronically under subdivision 1.

Sec. 14. Minnesota Statutes 1998, section 168A.30, subdivision 2, is amended to read:

Subd. 2. [WILLFUL OR FRAUDULENT ACTS; FAILURE TO NOTIFY.] A person is guilty of a misdemeanor who:

(1) with fraudulent intent permits another, not entitled thereto, to use or have possession of a certificate of title;

(2) willfully fails to mail or deliver a certificate of title to the department within the time required by sections 168A.01 to 168A.31;

(3) willfully fails to deliver to the transferee a certificate of title within ten days after the time required by sections 168A.01 to 168A.31;

(4) commits a fraud in any application for a certificate of title;

(5) fails to notify the department of any fact as required by sections 168A.01 to 168A.31, except for the facts included in the Notice of Sale described in section 168A.10, subdivision 1; or

(6) willfully violates any other provision of sections 168A.01 to 168A.31 except as otherwise provided in sections 168A.01 to 168A.31.

Sec. 15. Minnesota Statutes 1998, section 169.122, subdivision 5, is amended to read:

Subd. 5. [EXCEPTION.] This section does not apply to the possession or consumption of alcoholic beverages by passengers in:

(1) a bus operated under a charter as defined in section 221.011, subdivision 20 that is operated by a motor carrier of passengers, as defined in section 221.011, subdivision 48; or

(2) a vehicle providing limousine service as defined in section 221.84, subdivision 1.

Sec. 16. Minnesota Statutes 1998, section 169.345, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF PRIVILEGE.] (a) A vehicle that prominently displays the certificate authorized by this section or that bears license plates issued under section 168.021, may be parked by or solely for the benefit of a physically disabled person:

(1) in a designated parking space for disabled persons, as provided in section 169.346; and

(2) in a metered parking space without obligation to pay the meter fee and without time restrictions unless time restrictions are separately posted on official signs; and

(3) without time restrictions in a nonmetered space where parking is otherwise allowed for passenger vehicles but restricted to a maximum period of time and which does not specifically prohibit the exercise of disabled parking privileges in that space.

A person may park a vehicle for a physically disabled person in a parking space described in clause (1) or (2) only when actually transporting the physically disabled person for the sole benefit of that person and when the parking space is within a reasonable distance from the drop-off point.

(b) For purposes of this subdivision, a certificate is prominently displayed if it is displayed so that it may be viewed from the front and rear of the vehicle by hanging it from the rearview mirror attached to the front windshield of the vehicle. If there is no rearview mirror or if the certificate holder's disability precludes placing the certificate on the mirror, the placard must be displayed on the dashboard on the driver's side of the vehicle. No part of the certificate may be obscured.

(c) Notwithstanding <u>paragraph (a)</u>, clauses (1) and, (2), and (3), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to accommodate heavy traffic during morning and afternoon rush hours and these ordinances also apply to physically disabled persons.

Sec. 17. Minnesota Statutes 1998, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue (1) immediately, a temporary permit valid for 30 days, if the person is eligible for the certificate issued under this paragraph, and (2) a special identifying certificate for a motor vehicle when a physically disabled applicant submits proof of physical disability under subdivision 2a. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for six years, if the disability is specified in the physician's or chiropractor's statement as permanent, and is valid for a period not to exceed six months, if the disability is specified as temporary.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically disabled persons, the division may issue without charge (1) immediately, a temporary permit valid for 30 days, if the operator is eligible for the certificate issued under this paragraph, and (2) a special identifying certificate for the vehicle. The operator of a vehicle displaying the certificate or temporary permit has the parking privileges provided in subdivision 1 only while the vehicle is actually in use for transporting physically disabled persons. The certificate issued to a person transporting physically disabled persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically disabled persons. When the commissioner of public safety issues commercial certificates to an organization, the commissioner shall require documentation satisfactory to the commissioner from each organization that procedures and controls have been implemented to ensure that the parking privileges available under this section will not be abused.

(c) A certificate must be made of plastic or similar durable material and must bear its expiration date prominently on both sides. A certificate issued prior to January 1, 1994, must bear its expiration date prominently on its face and will remain valid until that date or December 31, 2000, whichever shall come first. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each applicant must be provided a summary of the parking privileges and restrictions that apply to each vehicle for which the certificate is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate or temporary permit, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate or temporary permit. The commissioner shall not charge a fee for issuing a certificate to a person who has paid a fee for issuance of a temporary permit. The commissioner shall not issue more than three replacement certificates within any six-year period without the approval of the council on disability.

Sec. 18. Minnesota Statutes 1998, section 169.345, subdivision 4, is amended to read:

Subd. 4. [UNAUTHORIZED USE; REVOCATION; MISDEMEANOR.] If a peace officer, authorized parking enforcement employee or agent of a statutory or home rule charter city or town, or authorized agent of the citizen enforcement program finds that the certificate or temporary permit is being improperly used, the officer, municipal employee, or agent shall report the violation to the division of driver and vehicle services in the department of public safety and the commissioner of public safety may revoke the certificate or temporary permit. A person who uses the certificate or temporary permit in violation of this section is guilty of a misdemeanor and is subject to a fine of \$500.

Sec. 19. Minnesota Statutes 1998, section 169.346, subdivision 3, is amended to read:

Subd. 3. [MISDEMEANOR; ENFORCEMENT.] A person who violates subdivision 1 is guilty of a misdemeanor and shall be fined not less than \$100 or more than \$200. This subdivision shall

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be enforced in the same manner as parking ordinances or regulations in the governmental subdivision in which the violation occurs. Law enforcement officers have the authority to tag vehicles parked on either private or public property in violation of subdivision 1. <u>Parking enforcement employees or agents of statutory or home rule charter cities or towns have the authority to tag or otherwise issue citations for vehicles parked on public property in violation of subdivision 1. If a holder of a disability certificate or disability plates allows a person who is not otherwise eligible to use the certificate or plates, then the holder shall not be eligible to be issued or to use a disability certificate or plates for 12 months after the date of violation. A physically disabled person, or a person parking a vehicle for a disabled person, who is charged with violating subdivision 1 because the person parked in a parking space for physically disabled persons without the required certificate, license plates, or temporary permit shall not be convicted if the person produces in court or before the court appearance the required certificate, temporary permit, or evidence that the person has been issued license plates under section 168.021, and demonstrates entitlement to the certificate, plates, or temporary permit at the time of arrest or tagging.</u>

Sec. 20. Minnesota Statutes 1998, section 169.346, is amended by adding a subdivision to read:

<u>Subd. 5.</u> [LOCAL ORDINANCE; LONG-TERM PARKING.] <u>A statutory or home rule charter</u> city may enact an ordinance establishing a permit program for long-term parking.

Sec. 21. Minnesota Statutes 1998, section 169.55, subdivision 1, is amended to read:

Subdivision 1. [LIGHTS OR REFLECTORS REQUIRED.] At the times when lighted lamps on vehicles are required each vehicle including an animal-drawn vehicle and any vehicle specifically excepted in sections 169.47 to 169.79, with respect to equipment and not hereinbefore specifically required to be equipped with lamps, shall be equipped with one or more lighted lamps or lanterns projecting a white light visible from a distance of 500 feet to the front of the vehicle and with a lamp or lantern exhibiting a red light visible from a distance of 500 feet to the rear, except that reflectors meeting the maximum requirements of this chapter may be used in lieu of the lights required in this subdivision. It shall be unlawful except as otherwise provided in this subdivision, to project a white light to the rear of any such vehicle while traveling on any street or highway, unless such vehicle is moving in reverse. A lighting device mounted on top of a vehicle engaged in deliveries to residences may project a white light to the rear if the sign projects one or more additional colors to the rear. An authorized emergency vehicle may display an oscillating, alternating, or rotating white light used in connection with an oscillating, alternating, or rotating red light when responding to emergency calls.

Sec. 22. Minnesota Statutes 1998, section 169.58, is amended by adding a subdivision to read:

<u>Subd. 4.</u> [LIGHTED SIGN ON VEHICLE.] <u>A vehicle engaged in deliveries to residences may</u> <u>display a lighting device mounted on the vehicle, which may project a red light to the front if the</u> sign projects one or more additional colors to the front.

Sec. 23. Minnesota Statutes 1998, section 171.04, subdivision 1, is amended to read:

Subdivision 1. [PERSONS NOT ELIGIBLE.] The department shall not issue a driver's license:

(1) to any person under 18 years unless:

(i) the applicant is 16 or 17 years of age and has a previously issued valid license from another state or country or the applicant has, for the 12 consecutive months preceding application, held a provisional license and during that time has incurred (A) no conviction for a violation of section 169.121, 169.1218, 169.122, or 169.123, (B) no conviction for a crash-related moving violation, and (C) not more than one conviction for a moving violation that is not crash related. "Moving violation" means a violation of a traffic regulation but does not include a parking violation, vehicle equipment violation, or warning citation.

(ii) the application for a license is approved by (A) either parent when both reside in the same household as the minor applicant or, if otherwise, then (B) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (C) the parent or spouse of the parent with whom the minor is living or, if subitems (A) to (C) do not apply, then (D) the

guardian having custody of the minor or, in the event a person under the age of 18 has no living father, mother, or guardian, then (E) the minor's employer; provided, that the approval required by this item contains a verification of the age of the applicant and the identity of the parent, guardian, or employer; and

(iii) the applicant presents a certification by the person who approves the application under item (ii), stating that the applicant has driven a motor vehicle accompanied by and under supervision of a licensed driver at least 21 years of age for at least ten hours during the period of provisional licensure;

(2) to any person who is under the age of 18 years of age or younger, unless the person has applied for, been issued, and possessed the appropriate instruction permit for a minimum of six months, and, with respect to a person under 18 years of age, a provisional license for a minimum of 12 months;

(3) to any person who is 19 years of age or older, unless that person has applied for, been issued, and possessed the appropriate instruction permit for a minimum of three months;

(4) to any person whose license has been suspended during the period of suspension except that a suspended license may be reinstated during the period of suspension upon the licensee furnishing proof of financial responsibility in the same manner as provided in the Minnesota No-Fault Automobile Insurance Act;

(4) (5) to any person whose license has been revoked except upon furnishing proof of financial responsibility in the same manner as provided in the Minnesota No-Fault Automobile Insurance Act and if otherwise qualified;

(5) (6) to any drug dependent person, as defined in section 254A.02, subdivision 5;

(6) (7) to any person who has been adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, and has not been restored to capacity, unless the department is satisfied that the person is competent to operate a motor vehicle with safety to persons or property;

(7) (8) to any person who is required by this chapter to take a vision, knowledge, or road examination, unless the person has successfully passed the examination. An applicant who fails four road tests must complete a minimum of six hours of behind-the-wheel instruction with an approved instructor before taking the road test again;

(8) (9) to any person who is required under the Minnesota No-Fault Automobile Insurance Act to deposit proof of financial responsibility and who has not deposited the proof;

(9) (10) to any person when the commissioner has good cause to believe that the operation of a motor vehicle on the highways by the person would be inimical to public safety or welfare;

(10) (11) to any person when, in the opinion of the commissioner, the person is afflicted with or suffering from a physical or mental disability or disease that will affect the person in a manner as to prevent the person from exercising reasonable and ordinary control over a motor vehicle while operating it upon the highways;

(11) (12) to a person who is unable to read and understand official signs regulating, warning, and directing traffic;

(12) (13) to a child for whom a court has ordered denial of driving privileges under section 260.191, subdivision 1, or 260.195, subdivision 3a, until the period of denial is completed; or

(13) (14) to any person whose license has been canceled, during the period of cancellation.

Sec. 24. Minnesota Statutes 1998, section 171.05, subdivision 1a, is amended to read:

Subd. 1a. [MINIMUM PERIOD TO POSSESS INSTRUCTION PERMIT.] An applicant who is 18 years old and who has applied for and received an instruction permit under subdivision 1 and has not previously been licensed to drive in Minnesota or in another jurisdiction must possess the

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instruction permit for not less than six months for an applicant who is 18 years of age, and not less than three months for all other applicants, before qualifying for a driver's license, or for not less than three months for an applicant who successfully completes an approved course of behind-the-wheel instruction. An applicant with an instruction permit from another jurisdiction must be credited with the amount of time that permit has been held.

Sec. 25. Minnesota Statutes 1998, section 171.05, subdivision 2, is amended to read:

Subd. 2. [PERSON LESS THAN 18 YEARS OF AGE.] (a) Notwithstanding any provision in subdivision 1 to the contrary, the department, upon application therefor, may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and the applicant:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or is enrolled in a one of the following types of driver education program including programs:

(i) a driver education program offered through the public schools that includes classroom and behind-the-wheel training, which and that has been approved by the state board of education for courses offered through the public schools, or, in the case of commissioner of children, families, and learning;

(ii) a course offered by a private, commercial driver education school or institute, that includes classroom and behind-the-wheel training and that has been approved by the department of public safety; except when the applicant has completed a course of driver education in another state or has a previously issued valid license from another state or

(iii) an approved behind-the-wheel driver education program when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a home-school diploma, the student's status as a home-school student has been certified by the superintendent of the school district in which the student resides, and the student is taking home-classroom driver training with classroom materials approved by the commissioner of public safety;

(2) has completed the classroom phase of instruction in the driver education program;

(3) has passed a test of the applicant's eyesight;

(4) has passed a test of the applicant's knowledge of traffic laws, which test must be administered by the department;

(5) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor or, in the event a person under the age of 18 has no living father, mother, or guardian, then (v) the applicant's employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, or employer; and

(6) has paid the fee required in section 171.06, subdivision 2.

(b) The instruction permit is valid for one year from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

Sec. 26. Minnesota Statutes 1998, section 171.061, subdivision 4, is amended to read:

Subd. 4. [FEE; EQUIPMENT.] (a) The agent may charge and retain a filing fee of \$3.50 for each application. Except as provided in paragraph (b), the fee shall cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) An agent with photo identification equipment provided by the department before January 1, 1999, may retain the photo identification equipment until the agent's appointment terminates. The department shall maintain the photo identification equipment for these agents. An agent appointed before January 1, 1999, who does not have photo identification equipment provided by the department, and any new agent appointed after December 31, 1998, shall procure and maintain photo identification equipment. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 1999. All photo identification equipment must be compatible with standards established by the department.

(c) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county shall retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota state retirement system, or membership in the public employees retirement association.

(d) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (c).

Sec. 27. Minnesota Statutes 1998, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] (a) Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink. Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(b) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

(c) The fee for a Minnesota identification card is 50 cents when issued to: a person who is mentally retarded, as defined in section 252A.02, subdivision 2, or to; a physically disabled person, as defined in section 169.345, subdivision 2, is 50 cents; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 28. Minnesota Statutes 1998, section 171.39, is amended to read:

171.39 [EXEMPTIONS.]

The provisions of sections 171.33 to 171.41 shall not apply: to any person giving driver training lessons without charge; to employers maintaining driver training schools without charge for their employees only; to a home-school within the meaning of sections 120A.22 and 120A.24; to schools or classes conducted by colleges, universities and high schools as a part of the normal program for such institutions; nor to those schools or persons described in section 171.05, subdivision 2. Any person who is a certificated driver training instructor in a high school driver training program may give driver training instruction to persons over the age of 18 without acquiring a driver training school license or instructor's license, and such instructors may make a charge for that instruction, if there is no private commercial driver training school licensed under this statute within 10 miles of the municipality where such instruction is given and there is no adult drivers training program in effect in the schools of the school district in which the trainee resides.

Sec. 29. Minnesota Statutes 1998, section 173.02, subdivision 6, is amended to read:

Subd. 6. [VARIOUS SIGNS AND NOTICES DEFINED.] Directional and other official signs and notices shall mean:

(a) "Official signs and notices" mean signs and notices erected and maintained by public officers or public agencies within their territorial jurisdiction and pursuant to and in accordance with direction or authorization contained in federal or state law for the purposes of carrying out an official duty or responsibility. Historical markers authorized by state law and erected by state or local governmental agencies or nonprofit historical societies, star city signs erected under section 173.085, and municipal identification entrance signs erected in accordance with section 173.025 may be considered official signs.

(b) "Public utility signs" mean warning signs, notices, or markers which are customarily erected and maintained by publicly or privately owned public utilities, as essential to their operations.

(c) "Service club and religious notices" mean signs and notices, not exceeding eight square feet in advertising area, whose erection is authorized by law, relating to meetings and location of nonprofit service clubs or charitable associations, or religious services.

(d) "Directional signs" means signs containing directional information about public places owned or operated by federal, state, or local governments public authorities as defined in Code of Federal Regulations, title 23, section 460.2, paragraph (b), or their agencies, publicly or privately owned natural phenomena, historic, cultural, scientific, educational, and religious sites, and areas of natural scenic beauty or naturally suited for outdoor recreation, deemed to be in the interest of the traveling public. To qualify for directional signs, privately owned attractions must be nationally or regionally known, and of outstanding interest to the traveling public.

(e) All definitions in this subdivision are intended to be in conformity with the national standards for directional and other official signs.

Sec. 30. Minnesota Statutes 1998, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. [OPERATING ASSISTANCE.] The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance which may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section.

Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: large urbanized area service, urbanized area service, small urban area service, rural area service, and elderly and handicapped service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentages shall be: for large urbanized area service, 55 50 percent; for urbanized area service and small urban area service, 40 percent; for rural area service, 35 percent; and for elderly and handicapped service, 35 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.

If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification, provided that no recipient shall have its percentage thus reduced or increased for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

Sec. 31. Minnesota Statutes 1998, section 174.70, is amended to read:

174.70 [PUBLIC SAFETY RADIO COMMUNICATIONS.]

<u>Subdivision 1.</u> [AUTHORITY OF COMMISSIONER.] The commissioner of transportation may exercise the powers granted in this chapter and in sections 473.891 to 473.905, to plan and implement the communications system as provided in sections 473.891 to 473.905.

Subd. 2. [IMPLEMENTATION.] In order to facilitate construction of the initial backbone of the communications system described in subdivision 1, the commissioner shall, by purchase, lease, gift, exchange, or other means, obtain sites for the erection of towers and the location of equipment and shall construct buildings and structures needed for the system. The commissioner may negotiate with commercial wireless service providers to obtain sites, towers, and equipment. Notwithstanding sections 161.433, 161.434, 161.45, and 161.46, the commissioner may by agreement allow commercial wireless service providers to install privately owned equipment on state-owned lands, buildings, and other structures under the jurisdiction of the commissioner when it is practical and feasible to do so. The commissioner shall charge a site use fee for the value of the property or structure made available. In lieu of a site use fee, the commissioner may make agreements with commercial wireless service providers to place state equipment on privately owned towers and may accept (1) improvements to state-owned public safety communications facilities or real or personal property, or (2) services provided by a commercial wireless service provider.

<u>Subd. 3.</u> [DEPOSIT OF FEES; APPROPRIATION.] Fees collected under subdivision 2 must be deposited in the trunk highway fund. The fees so collected are appropriated to the commissioner to pay for the commissioner's share and state patrol's share of the costs of constructing and maintaining the communication system sites.

Sec. 32. Minnesota Statutes 1998, section 174A.02, subdivision 4, is amended to read:

Subd. 4. [HEARINGS; NOTICE.] With respect to those matters within its jurisdiction the board shall receive, hear and determine all petitions filed with it in accordance with the procedures established by law and may hold hearings and make determinations upon its own motion to the same extent, and in every instance, in which it may do so upon petition. Upon receiving petitions filed pursuant to sections 221.061, 221.081, 221.121, subdivision 1, 221.151, 221.296, and 221.55, the board shall give notice of the filing of the petition to representatives of associations or other interested groups or persons who have registered their names with the board for that purpose and to whomever the board deems to be interested in the petition. The board may grant or deny the request of the petition 30 days after notice of the filing has been fully given. If the board receives a written objection and notice of intent to appear at a hearing to object to the petition from any person within 20 days of the notice having been fully given, the request of the petition shall be granted or denied only after a contested case hearing has been conducted on the petition, unless the objection is withdrawn prior to the hearing. The board may elect to hold a contested case hearing if no objections to the petition are received. If a timely objection is not received, or if received and withdrawn, and the request of the petition is denied without hearing, the petitioner may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the petition.

Sec. 33. Minnesota Statutes 1998, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES.]

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Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, or a local cartage carrier under section 221.296, subdivision 8;

(5) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and

(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under sections 221.121, 221.151, and 221.296 or certificates of convenience and necessity under section 221.071.

The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 34. [219.445] [SOUTHERN RAIL CORRIDOR IMPROVEMENT PLAN.]

<u>Subdivision 1.</u> [CORRIDOR DEVELOPMENT.] <u>The commissioner of transportation shall</u> develop a corridor improvement plan for grade crossings intersecting or crossing the railway right-of-way in the railway corridor that runs east to west across southern Minnesota within all of the counties of Winona, Olmsted, Dodge, Steele, Waseca, Blue Earth, Brown, Redwood, Lyon, and Lincoln.

Subd. 2. [GRADE CROSSING RECOMMENDATIONS.] (a) The corridor improvement plan must include crossing-by-crossing assessments based on ten-year and 20-year projections of train and vehicle volumes that will identify minimum improvements necessary at crossings with moderate levels of exposure, consistent with rules adopted by the commissioner. The plan must include identification of all crossings that are candidates for grade separations where levels of exposure exceed 300,000, or crossings that meet the criteria identified in the rules adopted by the commissioner. For purposes of this section, "levels of exposure" means average daily vehicle traffic multiplied by the number of trains per day at a crossing.

(b) In cities where the department has identified multiple grade separation candidates the plan must include a strategy that identifies the appropriate mix of safety improvements at all crossings in the city and that considers optimal locations for grade separations, crossing consolidations, and other grade crossing safety improvements and traffic routing options.

(c) The department shall consider crossings that are candidates for closure, consistent with rules adopted by the commissioner governing the vacating of a grade crossing.

(d) When community plans have been developed by the affected railroad company and local governing bodies, the department shall review the community plans for compliance with the department's minimum criteria for necessary crossing improvements at all public crossings as identified in the commissioner's rules. The agreed-to community plans take precedence over the elements of the corridor improvement plan.

Subd. 3. [LOCAL GOVERNMENT AND RAILROAD COMPANY PARTICIPATION; FEDERAL REVIEW.] (a) The commissioner shall provide an opportunity for an affected railroad

company or local governing body to participate in developing the corridor improvement plan. The commissioner shall allow an affected local governing body the opportunity to review the corridor improvement plan before executing an agreement for grade crossing improvements in the corridor improvement plan between the department and the railroad company and before forwarding the plan to the federal Surface Transportation Board (STB).

(b) Paragraph (a) does not preclude the department from providing comments or information related to the railway corridor improvement project to the STB or any other governing body related to construction activities or environmental impact statement preparation.

<u>Subd. 4.</u> [FINAL PLAN; HOLD HARMLESS.] (a) The final plan must be submitted to any affected area transportation partnership, local unit of government, and railroad company within the corridor area in order to provide future grade crossing safety improvement planning guidance.

(b) Unless otherwise specifically agreed to as part of the plan, the development of a corridor improvement plan does not bind the state or any local government unit to a specific implementation timetable or to funding the cost of proposed recommended safety upgrades.

Sec. 35. Minnesota Statutes 1998, section 221.011, subdivision 15, is amended to read:

Subd. 15. [MOTOR CARRIER.] "Motor carrier" means a carrier operating for hire under the authority of this chapter and subject to the rules and orders of the commissioner or the board person engaged in the for-hire transportation of property or passengers. "Motor carrier" does not include a person providing transportation described in section 221.025, a building mover subject to section 221.81, or a person providing limousine service as defined in section 221.84.

Sec. 36. Minnesota Statutes 1998, section 221.011, subdivision 37, is amended to read:

Subd. 37. [CERTIFICATED CARRIER.] "Certificated carrier" means a motor carrier holding a certificate issued under section 221.071 of registration.

Sec. 37. Minnesota Statutes 1998, section 221.011, subdivision 38, is amended to read:

Subd. 38. [CLASS I CARRIER.] "Class I carrier" means a person who has been issued a certificate under section 221.071 to operate as a class I carrier of registration.

Sec. 38. Minnesota Statutes 1998, section 221.011, is amended by adding a subdivision to read:

Subd. 48. [MOTOR CARRIER OF PASSENGERS.] "Motor carrier of passengers" means a person engaged in the for-hire transportation of passengers in vehicles designed to transport eight or more persons, including the driver.

Sec. 39. Minnesota Statutes 1998, section 221.011, is amended by adding a subdivision to read:

Subd. 49. [SMALL VEHICLE PASSENGER SERVICE.] "Small vehicle passenger service" means a service provided by a person engaged in the for-hire transportation of passengers in a vehicle designed to transport seven or fewer persons, including the driver.

Sec. 40. Minnesota Statutes 1998, section 221.021, is amended to read:

221.021 [OPERATION REGISTRATION CERTIFICATE OR PERMIT REQUIRED.]

<u>Subdivision 1.</u> [REQUIREMENT.] No person may operate as a motor carrier or advertise or otherwise hold out as a motor carrier without a certificate <u>of registration</u> or permit in effect. A certificate or permit may be suspended or revoked upon conviction of violating a provision of sections 221.011 to 221.296 or an order or rule of the commissioner or board governing the operation of motor carriers, and upon a finding by the court that the violation was willful. The board <u>commissioner</u> may, for good cause after a hearing, suspend or revoke a certificate or permit for a violation of a provision of sections 221.011 to 221.296 or an order issued or rule adopted by the commissioner or board under this chapter.

Subd. 2. [SANCTIONS.] The commissioner may suspend, revoke, or deny renewal of a

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certificate of registration for (1) serious or repeated violations of this chapter, or (2) a pattern of repeated violations of local ordinances governing traffic and parking.

Subd. 3. [HEARING.] A motor carrier affected by an action of the commissioner under subdivision 2 may, within 20 days of receipt of a notice of the commissioner's action, request an administrative hearing by following the procedures in section 221.036, subdivision 7.

Sec. 41. Minnesota Statutes 1998, section 221.022, is amended to read:

221.022 [EXCEPTION.]

The powers granted to the board commissioner under sections 221.011 to 221.296 do not include the power to regulate any service or vehicles operated by the metropolitan council or to regulate register passenger transportation service provided under contract to the department or the metropolitan council. A provider of passenger transportation service under contract to the department or the metropolitan council may not also provide charter service as a motor carrier of passengers without first having obtained a permit to operate as a charter carrier registered under section 221.0252.

Sec. 42. Minnesota Statutes 1998, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451 and the transportation of children or parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected and certified under section 169.451;

(b) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.011, subdivision 31;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances; and tow trucks equipped with proper and legal warning devices when picking up and transporting (1) disabled or wrecked motor vehicles or (2) vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) the transportation of property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 100-mile radius from the person's home post office and the carrier may transport other commodities within the 100-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the metropolitan council;

 (Θ) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less; and

(p) (o) transportation of potatoes from the field of production, or a storage site owned or otherwise controlled by the producer, to the first place of processing.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 43. Minnesota Statutes 1998, section 221.0251, is amended to read:

221.0251 [MOTOR CARRIER OF PROPERTY; REGISTRATION.]

Subdivision 1. [REGISTRATION STATEMENT.] A person who wishes to operate as a motor carrier <u>of property</u> shall file a complete and accurate registration statement with the commissioner. A registration statement must be on a form provided by the commissioner and include:

(1) the registrant's name, including an assumed or fictitious name used by the registrant in doing business;

(2) the registrant's mailing address and business telephone number;

(3) the registrant's federal Employer Identification Number and Minnesota Business Identification Number and the identification numbers, if any, assigned to the registrant by the United States Department of Transportation, Interstate Commerce Commission, or Environmental Protection Agency;

(4) the name, title, and telephone number of the individual who is principally responsible for the operation of the registrant's transportation business;

(5) the principal location from which the registrant conducts its transportation business and where the records required by this chapter will be kept;

(6) if different from clause (5), the location in Minnesota where the records required by this chapter will be available for inspection and copying by the commissioner;

(7) whether the registrant transports hazardous materials or hazardous waste;

(8) whether the registrant's business is a corporation, partnership, limited liability partnership, limited liability company, or sole proprietorship; and

(9) if the registrant is a foreign corporation authorized to transact business in Minnesota, the state of incorporation and the name and address of its registered agent.

Subd. 2. [SIGNATURE REQUIRED.] A registration statement may be signed only by a corporate officer, general partner, limited liability company board member, or sole proprietor. A signature must be notarized.

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Subd. 3. [CERTIFICATE OF REGISTRATION; ISSUANCE; LOCATION.] (a) The commissioner shall issue a certificate of registration to a registrant who has filed a registration statement that complies with subdivisions 1 and 2 and paid the required fee, has a satisfactory safety rating and, if applicable, has complied with the financial responsibility requirements in section 221.141. The commissioner may not issue a certificate of registration to a registrant who has an unsatisfactory safety rating.

(b) A certificate of registration must be numbered and bear an effective date.

(c) A certificate of registration must be kept at the registrant's principal place of business.

Subd. 4. [DURATION.] A certificate of registration is not assignable or transferable and is valid until it is suspended, revoked, or canceled.

Subd. 5. [OBLIGATION TO KEEP INFORMATION CURRENT.] A registrant shall notify the commissioner in writing of any change in the information described in subdivision 1.

Sec. 44. [221.0252] [PASSENGER CARRIERS; REGISTRATION; EXEMPTIONS.]

Subdivision 1. [FILING REQUIRED.] A person who wishes to operate as a motor carrier of passengers must file with the commissioner a complete and accurate federal motor carrier identification report form MCS-150. In addition, a person must file a vehicle registration form prescribed by the commissioner describing the make, model, number of passengers the vehicle is designed to transport as determined by the vehicle's manufacturer, and license plate and vehicle identification number of each vehicle that the registrant will be using in those operations for which registration is required.

<u>Subd. 2.</u> [SIGNATURE REQUIRED.] A form required under this section may be signed only by a corporate officer, general partner, limited liability company board member, or sole proprietor.

Subd. 3. [AUDIT; INSPECTION.] (a) Within 90 days of issuing a new certificate of registration to a carrier under this section, and before issuing an annual renewal of a certificate of registration, the commissioner shall:

(1) conduct an audit of the carrier's records;

(2) inspect the vehicles the carrier uses in its motor carrier operation to determine if they comply with the federal regulations incorporated in section 221.0314 or accept for filing proof that a complete vehicle inspection was conducted within the previous one year by a commercial vehicle inspector of the department of public safety;

(3) verify that the carrier has a designated office in Minnesota where the books and files necessary to conduct business and the records required by this chapter are kept and shall be available for inspection by the commissioner;

(4) audit the carrier's drivers' criminal background and safety records; and

(5) verify compliance with the insurance requirements of section 221.141.

(b) The commissioner and the commissioner of public safety shall, through an interagency agreement, coordinate vehicle inspection activities to avoid duplication of annual vehicle inspections to minimize the burden of compliance on carriers and to maximize the efficient use of state resources.

Subd. 4. [CERTIFICATE OF REGISTRATION; REQUIREMENTS; ISSUANCE; DURATION.] (a) The commissioner shall issue a certificate of registration to a carrier who (1) does not have an unsatisfactory safety rating, (2) has complied with subdivisions 1 and 2, (3) has paid the required fee, (4) in the case of an annual renewal, has been audited and inspected under subdivision 3, and (5) has complied with the financial responsibility requirements in section 221.141.

(b) A photocopy of the carrier's certificate of registration must be carried in each vehicle

operated under the registration and must be made available to the department and other law enforcement officials upon request.

(c) Registration under this section is not assignable or transferable and is valid until it expires or is suspended, revoked, or canceled, whichever occurs first. A registration is valid for one year from the date issued.

Subd. 5. [SUSPENSION FOR UNSATISFACTORY SAFETY RATING.] Following the procedures in section 221.185, the commissioner shall immediately suspend the registration of a carrier who receives an unsatisfactory safety rating. The commissioner shall conduct one follow-up compliance audit to determine if the carrier's safety rating should be changed or the suspension rescinded within 30 days of receiving a written request from the carrier. Additional compliance reviews may be conducted at the commissioner's discretion.

Subd. 6. [ANNUAL RENEWAL.] A carrier registered under this section must renew its registration each year on a form prescribed by the commissioner. The commissioner shall develop and implement an expedited renewal process to minimize the burden on motor carriers.

Subd. 7. [EXEMPTIONS FROM REGULATION.] Notwithstanding any other law, motor carriers of passengers are exempt from sections 221.121; 221.122; 221.123; 221.132; 221.151; 221.161; and 221.171.

Sec. 45. Minnesota Statutes 1998, section 221.026, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS FROM REQUIREMENTS.] Notwithstanding any other law, a motor carrier of property is exempt from sections 221.021; 221.041; 221.061; 221.071; 221.072; 221.081; 221.121; 221.122; 221.123; 221.131; 221.132; 221.151; 221.161; 221.172, subdivisions 3 to 8; 221.185, except as provided in subdivision 4; and 221.296. The exemptions in this subdivision do not apply to a motor carrier of property while transporting household goods.

Sec. 46. Minnesota Statutes 1998, section 221.031, subdivision 1, is amended to read:

Subdivision 1. [POWERS, DUTIES, REPORTS, LIMITATIONS.] (a) This subdivision applies to motor carriers engaged in intrastate commerce.

(b) The commissioner shall prescribe rules for the operation of motor carriers, including their facilities; accounts; leasing of vehicles and drivers; service; safe operation of vehicles; equipment, parts, and accessories; hours of service of drivers; driver qualifications; accident reporting; identification of vehicles; installation of safety devices; inspection, repair, and maintenance; and proper automatic speed regulators if, in the opinion of the commissioner, there is a need for the rules.

(c) The commissioner shall direct the repair and reconstruction or replacement of an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require the construction and maintenance or furnishing of suitable and proper freight terminals, passenger depots, waiting rooms, and accommodations or shelters in a city in this state or at a point on the highway traversed which the commissioner, after investigation by the department, may deem just and proper for the protection of passengers or property.

(d) The commissioner shall require holders of household goods mover permits, charter carrier permits, and regular route passenger carrier certificates to file annual and other reports including annual accounts of motor carriers, schedules of rates and charges, or other data by motor carriers, regulate motor carriers in matters affecting the relationship between them and the traveling and shipping public, and prescribe other rules as may be necessary to carry out the provisions of this chapter.

(e) A motor carrier subject to paragraph (d) but having gross revenues from for-hire transportation in a calendar year of less than \$200,000 may, at the discretion of the commissioner, be exempted from the filing of an annual report, if instead the motor carrier files an abbreviated annual report, in a form as may be prescribed by the commissioner, attesting that the motor carrier's gross revenues did not exceed \$200,000 in the previous calendar year. Motor carrier

gross revenues from for-hire transportation, for the purposes of this subdivision only, do not include gross revenues received from the operation of school buses as defined in section 169.01, subdivision 6.

(f) The commissioner shall enforce sections 169.781 to 169.783.

(g) The commissioner shall make no rules relating to the granting, limiting, or modifying of permits or certificates of convenience and necessity, which are powers granted to the board.

(h) The board may extend the termini of a route or alter or change the route of a regular route common carrier upon petition and after finding that public convenience and necessity require an extension, alteration, or change.

Sec. 47. Minnesota Statutes 1998, section 221.031, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS FOR PRIVATE CARRIERS.] This subdivision applies to private carriers engaged in intrastate commerce.

(a) Private carriers operating vehicles with a gross vehicle weight of more than 10,000 pounds shall comply with rules adopted under those federal regulations incorporated by reference in:

(1) section 221.0314, subdivisions 2 to 5, for driver qualifications;

- (2) section 221.0314, subdivision 9, for hours of service of drivers;
- (3) section 221.0314, subdivision 6, for driving of motor vehicles;
- (4) section 221.0314, subdivision 7, for parts and accessories necessary for safe operation; and
- (5) section 221.0314, subdivision 10, for inspection, repair, and maintenance; and.
- (6) this section for leasing of vehicles or vehicles and drivers.

Private carriers not subject to the rules for driver qualifications before August 1, 1992, must comply with those rules on and after August 1, 1994.

(b) The rules for hours of service of drivers do not apply to private carriers who are (1) public utilities as defined in section 216B.02, subdivision 4; (2) cooperative electric associations organized under chapter 308A; (3) telephone companies as defined in section 237.01, subdivision 2; or (4) engaged in the transportation of construction materials, tools and equipment from shop to job site or job site to job site, for use by the private carrier in the new construction, remodeling, or repair of buildings, structures or their appurtenances.

(c) The rules for driver qualifications and hours of service of drivers do not apply to vehicles controlled by a farmer and operated by a farmer or farm employee to transport agricultural products, farm machinery, or supplies to or from a farm if the vehicle is not used in the operations of a motor carrier and not carrying hazardous materials of a type or quantity that requires the vehicle to be marked or placarded in accordance with section 221.033.

(d) The rules for driver qualifications do not apply to a driver employed by a private carrier while operating a lightweight vehicle.

Sec. 48. Minnesota Statutes 1998, section 221.031, subdivision 6, is amended to read:

Subd. 6. [VEHICLE IDENTIFICATION RULE.] (a) The following carriers shall display the carrier's name and address on the power unit of each vehicle:

(1) motor carriers, regardless of the weight of the vehicle, except that this requirement does not apply to a limousine as defined in section 168.011, subdivision 35, that is equipped with "LM" license plates;

(2) interstate and intrastate private carriers operating vehicles with a gross vehicle weight of more than 10,000 pounds; and

(3) vehicles providing transportation described in section 221.025 with a gross vehicle weight of more than 10,000 pounds except those providing transportation described in section 221.025, clauses (a), (c), and (d).

Vehicles described in clauses (2) and (3) that are operated by farmers or farm employees and have four or fewer axles are not required to comply with the vehicle identification rule of the commissioner.

(b) Vehicles subject to this subdivision must show the name or "doing business as" name of the carrier operating the vehicle and the community and abbreviation of the state in which the carrier maintains its principal office or in which the vehicle is customarily based. If the carrier operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the operating carrier appears on the vehicle, the words "operated by" must immediately precede the name of the carrier.

(c) The name and address must be in letters that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.

Sec. 49. Minnesota Statutes 1998, section 221.031, subdivision 7, is amended to read:

Subd. 7. [MEDICAL EXAMINER'S CERTIFICATE; CHARTER CARRIER DRIVER.] While in the state, the driver for a charter motor carrier of passengers engaged in intrastate commerce who has in possession a license with a school bus endorsement under section 171.321 or rules of the commissioner of public safety is not required to have in possession or to present a separate medical examiner's certificate otherwise required by Code of Federal Regulations, title 49, sections 391.41 to 391.49.

Sec. 50. Minnesota Statutes 1998, section 221.036, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.041, subdivision 3; (4) section 221.081; (5) section 221.151; (6) (4) section 221.171; (7) (5) section 221.141; (8) (6) section 221.035, or a material term or condition of a license issued under that section; or (7) rules of the board or commissioner relating to the transportation of hazardous waste, motor carrier operations, insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 51. Minnesota Statutes 1998, section 221.036, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations of section 221.021; 221.041, subdivision 3; 221.081; 221.141; 221.151; or 221.171, or rules of the board or commissioner relating to motor carrier operations, insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, or 221.035, and rules adopted under those sections, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

Sec. 52. Minnesota Statutes 1998, section 221.091, is amended to read:

221.091 [LIMITATIONS; RELATIONSHIP TO LOCAL REGULATION.]

Subdivision 1. [LOCAL AUTHORITY OVER STREETS AND HIGHWAYS.] No provision in Sections 221.011 to 221.291 and 221.84 to 221.85 shall do not authorize the use by any a carrier of any a public highway in any a city of the first class in violation of any a charter provision or ordinance of such the city in effect January 1, 1925, unless and except as such the charter provisions provision or ordinance may be is repealed after that date; nor shall. In addition, sections 221.011 to 221.291 and 221.84 to 221.85 be construed as in any manner taking from or curtailing do not (1) curtail the right of any a city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any a carrier under the terms of those sections, $\Theta f(2)$ curtail the general police power of any such the city over its highways; nor shall sections 221.011 to 221.291 and 221.84 to 221.85 be construed as abrogating, or (3) abrogate any provision of the city's charter of any such city requiring certain conditions to be complied with before such a carrier can use the highways of such the city, and such these rights and powers herein stated are hereby expressly reserved and granted to such the city; but. However, no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such a carrier for transportation of transporting passengers or property received within its boundaries to destinations beyond such the city's boundaries, or for transportation of transporting passengers or property from points beyond such the city's boundaries to destinations within the same the city's boundaries, or for transportation of transporting passengers or property from points beyond such the city's boundaries through such municipality the city to points beyond the city's boundaries of such municipality, where such operation when the carrier is operating pursuant to a certificate of convenience and necessity registration issued by the commission under this chapter or to a permit issued by the commissioner under section 221.84 or 221.85.

<u>Subd. 2.</u> [LOCAL LICENSING OF SMALL VEHICLE PASSENGER SERVICE.] <u>A city that</u> licenses and regulates small vehicle passenger service must do so by ordinance. The ordinance must, at a minimum, provide for driver qualifications, insurance, vehicle safety, and periodic vehicle inspections. A city that has adopted an ordinance complying with this subdivision may enforce the registration requirement in section 221.021.

<u>Subd.</u> 3. [AUTHORITY OF METROPOLITAN AIRPORTS COMMISSION.] Notwithstanding any other law:

(1) The metropolitan airports commission may regulate ground transportation to and from an airport under its jurisdiction, subject to the provisions of paragraph (2). The authority under this paragraph includes, but is not limited to, regulating the number and types of transportation services, making concession agreements, and establishing vehicle standards.

(2) The metropolitan airports commission may regulate small passenger vehicles, including taxicabs, serving an airport under its jurisdiction only by ordinance. An ordinance adopted under this paragraph must at a minimum define taxicabs and provide for driver qualifications, insurance, and vehicle safety, and may provide for issuance of permits to taxicabs and other small passenger vehicles and limits on the number of permits issued. An ordinance under this paragraph may not provide for making concession agreements relating to small passenger vehicle service, including taxicabs.

Sec. 53. Minnesota Statutes 1998, section 221.122, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION, INSURANCE, AND FILING REQUIREMENTS.] An order issued by the board which grants a certificate or permit must contain a service date. The person to whom the order granting the certificate or permit is issued shall do the following within 45 days from the service date of the order:

(1) register vehicles which will be used to provide transportation under the permit or certificate with the commissioner and pay the vehicle registration fees required by law;

(2) file and maintain insurance or bond as required by sections 221.141 and 221.296 and rules of the commissioner and board; and

(3) file rates and tariffs as required by sections 221.041 and section 221.161 and rules of the commissioner and board.

Sec. 54. Minnesota Statutes 1998, section 221.124, is amended to read:

221.124 [INITIAL MOTOR CARRIER CONTACT PROGRAM.]

Subdivision 1. [INITIAL MOTOR CARRIER CONTACT.] The initial motor carrier contact program consists of an initial contact, for educational purposes, between a motor carrier required to participate and representatives of the department of transportation. The initial contact may be through an educational seminar or, at the discretion of the department, through a personal meeting contact with a representative of the department. The initial contact must consist of a discussion of the statutes, rules, and regulations that apply to motor carriers. Topics discussed must include: earrier authority; the leasing of drivers and vehicles; insurance requirements; tariffs; annual reports; accident reporting; accident countermeasures; identification of vehicles; driver qualifications; maximum hours of service of drivers; the safe operation of vehicles; equipment, parts, and accessories; and inspection, repair, and maintenance. The department shall provide written documentation of proof of compliance with the requirements of subdivision 2 and shall give a copy of the document to the motor carrier.

Subd. 2. [PARTICIPATION REQUIRED.] A motor carrier that receives a certificate or permit from first registers with or receives a permit from the board for new authority on or <u>commissioner</u> after September 1, 1991 January 1, 2000, shall participate in the initial motor carrier contact program. A motor carrier required to participate in the program must have in attendance at least one motor carrier official having a substantial interest or control, directly or indirectly, in or over the operations conducted or to be conducted under the certificate carrier's registration or permit.

Subd. 3. [TIME FOR COMPLIANCE.] A motor carrier required by subdivision 2 to participate in the program must do so within 90 days of the service date of the order granting the certificate or permit or within 90 days of registering, unless the commissioner extends the time for compliance. Failure to comply with the requirement of subdivision 2 makes the order granting the certificate or permit or the carrier's registration void upon expiration of the time for compliance.

Sec. 55. Minnesota Statutes 1998, section 221.131, subdivision 2, is amended to read:

Subd. 2. [ANNUAL VEHICLE REGISTRATION; FEE.] (a) This subdivision applies only to holders of household goods mover permits and charter carrier permits motor carriers of passengers.

(b) The <u>A</u> permit holder or motor carrier of passengers shall pay an annual registration fee of \$40 \$75 on each vehicle, including pickup and delivery vehicles, operated by the holder carrier under authority of the permit or certificate of registration during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units.

(c) The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the <u>permit holder carrier</u> and payment of a transfer fee of \$10. An identification card issued under this section is valid only for the period for which the permit or certificate of registration is effective.

(d) A fee of \$10 is charged for the replacement of an unexpired identification card that has been lost.

(e) The proceeds of the fees collected under this subdivision must be deposited in the trunk highway fund.

Sec. 56. Minnesota Statutes 1998, section 221.141, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL RESPONSIBILITY OF CARRIERS.] (a) No motor carrier and no interstate carrier shall operate a vehicle until it has obtained and has in effect the minimum amount of financial responsibility required by this section. Policies of insurance, surety bonds, other types of security, and endorsements must be continuously in effect and must remain in effect until canceled. Before providing transportation, the motor carrier or interstate carrier shall secure and cause to be filed with the commissioner and maintain in full effect, a certificate of insurance in a form required by the commissioner, evidencing public liability insurance in the amount prescribed. The insurance must cover injuries and damage to persons or property resulting from the operation or use of motor vehicles, regardless of whether each vehicle is specifically described in the policy. This insurance does not apply to injuries or death to the employees of the motor carrier or to property being transported by the carrier. The commissioner shall require cargo insurance for certificated carriers, except those carrying passengers exclusively. The commissioner may require a permit carrier to file cargo insurance when the commissioner deems necessary to protect the users of the service.

(b) Notwithstanding any other provision of this chapter, the insurance required of a motor carrier of passengers must be at least that amount required of interstate carriers under Code of Federal Regulations, title 49, section 387.33, as amended.

Sec. 57. Minnesota Statutes 1998, section 221.172, subdivision 10, is amended to read:

Subd. 10. [RETAINED THREE YEARS.] A shipping document or record described in subdivisions subdivision 2 to 9 or 3, or a copy of it, must be retained by the carrier for at least three years from the date on the shipping document or record. A carrier may keep a shipping record described in subdivisions subdivision 3 to 9 by any technology that prevents the alteration, modification, or erasure of the underlying data and will enable production of an accurate and unaltered paper copy. A carrier shall keep a shipping record in a manner that will make it readily accessible and shall have a means of identifying and producing a legible paper copy for inspection by the commissioner upon request.

Sec. 58. [221.178] [MOTOR CARRIERS OF PASSENGERS; CRIMINAL BACKGROUND CHECK.]

Subdivision 1. [CARRIER TO CONDUCT BACKGROUND CHECK.] <u>A motor carrier of</u> passengers shall conduct, or cause to be conducted, an initial background check of a person the carrier hires or with whom the carrier contracts whose duties include operating a vehicle used to transport passengers. A subsequent background check must be conducted every three years.

Subd. 2. [SCOPE AND PROCEDURES OF CHECK.] Sections 299C.67, 299C.68, 299C.70, and 299C.71 apply to background checks conducted under subdivision 1. For purposes of this section, when used in sections 299C.67, 299C.68, 299C.70, and 299C.71, the term "owner" refers to a motor carrier of passengers and the term "manager" refers to a driver. A motor carrier of passengers may not use a driver to operate a vehicle providing passenger transportation if the background check response shows that the driver has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (a) or (b).

Subd. 3. [RECORDS.] A carrier shall keep a record, identified by the employee's name, of a background check conducted under this section. A record must be made available to the commissioner upon request.

Subd. 4. [EXCEPTION.] This section does not apply to a driver who holds a valid driver's license with a school bus endorsement.

Sec. 59. Minnesota Statutes 1998, section 221.185, subdivision 1, is amended to read: Subdivision 1. [GROUNDS FOR SUSPENSION.] Despite the provisions of section 221.021,

authority to operate as a household goods mover permit or a motor carrier registration issued under sections 221.011 to 221.296 section 221.0251 or 221.0252 is suspended without a hearing, by order of the commissioner, for a period not to exceed 45 days upon the occurrence of any of the following and upon notice of suspension as provided in subdivision 2:

(a) the motor carrier if the permit holder or carrier fails to maintain and file with the commissioner, the insurance or bond required by sections section 221.141 and 221.296 and rules of the commissioner;

(b) the motor carrier fails to renew permits as required by section 221.131;

(c) <u>adopted under that section or</u> the motor carrier or permit holder fails to pay annual vehicle registration fees or renew permits as required by sections 221.071, section 221.131, and 221.296; or

(d) the motor carrier fails to maintain in good standing a protective agent's or private detective's license required under section 221.121, subdivision 6g, paragraph (b), or 221.153, subdivision 3 the permit holder or carrier fails to pay an administrative penalty under section 221.036.

Sec. 60. Minnesota Statutes 1998, section 221.185, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF SUSPENSION.] (a) Failure to file and maintain insurance, renew permits under section 221.131, or to pay annual vehicle registration fees or renew permits under section 221.071, 221.131, or 221.296, or to maintain in good standing a protective agent's or private detective's license required under section 221.121, subdivision 6g, or 221.153, subdivision 3, suspends a motor carrier's permit or certificate two days after the commissioner sends notice of the suspension by certified mail, return receipt requested, to the last known address of the motor carrier.

(b) In order to avoid permanent cancellation of the permit or certificate, the motor carrier must do one of the following within 45 days from the date of suspension:

(1) comply with the law by filing insurance or bond, renewing permits, or paying vehicle registration fees; or

(2) request a hearing before the board regarding the failure to comply with the law.

Sec. 61. Minnesota Statutes 1998, section 221.185, is amended by adding a subdivision to read:

Subd. 2a. [NOTICE OF SUSPENSION; EFFECTIVE DATE.] The commissioner shall issue a notice of suspension if one of the conditions described in subdivision 1 occurs. The notice must give the reason for suspension and must be sent to the last known address of the carrier by certified mail, return receipt requested. A suspension is effective two days after a notice is mailed.

Sec. 62. Minnesota Statutes 1998, section 221.185, subdivision 3, is amended to read:

Subd. 3. [RESCIND SUSPENSION.] If the motor carrier complies with the requirements of this chapter within 45 days after the date of suspension and pays the required fees, including a late vehicle registration fee of \$5 for each vehicle registered, the commissioner shall rescind the suspension unless the carrier's registration has expired. If a registered carrier fails to comply within one year of the effective date of a suspension, the carrier's registration is canceled.

Sec. 63. Minnesota Statutes 1998, section 221.185, subdivision 4, is amended to read:

Subd. 4. [FAILURE TO COMPLY, CANCELLATION.] Except as provided in subdivision 5a, failure to comply with the requirements of sections 221.141 and 221.296 relating to bonds and insurance, 221.131 relating to permit renewal, 221.071, 221.131, or 221.296 relating to annual vehicle registration or permit renewal, 221.121, subdivision 6g, or 221.153, subdivision 3, relating to protective agent or private detective licensure, or to request a hearing within 45 days of the date of suspension, is deemed an abandonment of the motor carrier's permit or certificate and the permit or certificate must be canceled by the commissioner.

Sec. 64. Minnesota Statutes 1998, section 221.185, subdivision 9, is amended to read:

Subd. 9. [NEW PETITION.] If the holder of a canceled permit or certificate seeks authority to operate as a motor carrier it shall file a petition with the commissioner for a permit or certificate as provided in section $\frac{221.061}{221.21}$, or 221.296, whichever is applicable.

Sec. 65. Minnesota Statutes 1998, section 221.221, subdivision 3, is amended to read:

Subd. 3. [DELEGATED POWERS.] Representatives of the department to whom authority has been delegated by the commissioner for the purpose of enforcing sections 169.781 to 169.783, 221.041, and 221.171 and the rules, orders, or directives of the commissioner or board adopted or issued under those sections, and for no other purpose, shall have the powers conferred by law upon police officers. The representatives of the department have the power to inspect records, logs, freight bills, bills of lading, or other documents which may provide evidence to determine compliance with sections 169.781 to 169.783, 221.041, and 221.171.

Sec. 66. Minnesota Statutes 1998, section 221.291, subdivision 4, is amended to read:

Subd. 4. [OPERATING WITHOUT CERTIFICATE REGISTRATION OR PERMIT.] A person who operates a motor carrier without obtaining required certificates or permits to operate as required by this chapter first registering under section 221.0251 or 221.0252, or who operates as a household goods mover without having obtained the necessary permit, is guilty of a misdemeanor, and upon conviction shall be fined not less than the maximum fine which may be imposed for a misdemeanor for each violation.

Sec. 67. Minnesota Statutes 1998, section 221.55, is amended to read:

221.55 [CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.]

No person or corporation shall engage in the transportation described in section 221.54 without a certificate of public convenience and necessity from the board authorizing such operation. Such certificate shall be issued by the board pursuant to application, notice, and hearing as provided in sections 221.061 and 221.071, and the issuance of certificates and the transportation covered thereby shall be governed by the provisions of such sections and by sections section 221.031, 221.041, 221.051 and 221.081, applying to certificated common carriers for hire, insofar as such provisions are not inconsistent with section 221.54 and this section.

Sec. 68. Minnesota Statutes 1998, section 296A.18, subdivision 3, is amended to read:

Subd. 3. [SNOWMOBILE.] Approximately one percent in fiscal years 1998 and, 1999, and 2000, and three-fourths of one percent thereafter, of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, one percent in fiscal years 1998, and 1999, and 2000, and three-fourths of one percent thereafter, of such revenues is the amount of tax on fuel used in snowmobiles operated in this state.

Sec. 69. Minnesota Statutes 1998, section 299A.01, is amended by adding a subdivision to read:

<u>Subd. 1b.</u> [DEPARTMENT ADVERTISING SALES; APPROPRIATION.] The commissioner may accept paid advertising for departmental publications. Advertising revenues received are appropriated to the commissioner to be used to defray costs of publications, media productions, or other informational materials. The commissioner may not accept paid advertising from an elected official or candidate for elective office.

Sec. 70. Minnesota Statutes 1998, section 360.531, subdivision 3, is amended to read:

Subd. 3. [FIRST YEAR OF LIFE.] "First year of life" means the year of model designation of the aircraft, or, if there be no model designation it shall mean the year of manufacture year the aircraft was manufactured.

Sec. 71. Minnesota Statutes 1998, section 360.55, subdivision 4, is amended to read:

Subd. 4. [COLLECTOR'S AIRCRAFT; <u>PIONEER LICENSE</u> <u>SPECIAL PLATES.</u>] (a) For purposes of this subdivision:

(1) "antique aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or before December 31, 1945, with the exception of certain pre-World War II aircraft models that had only a small post-war production, such as Beechcraft Staggerwing, Fairchild 24, and Monocoupe; and

(2) "classic aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or after January 1, 1946, and has a first year of life that precedes the date of registration by at least 50 years.

Any (b) If an antique or classic aircraft built by the original manufacturer prior to December 31, 1939, and is owned and operated solely as a collector's item shall be listed, its owner may list it for taxation and registration as follows: A sworn affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the aircraft, year and model number of the aircraft, the federal aircraft registration number, the manufacturer's identification number and that the aircraft is owned and operated solely as a collector's item and not for general transportation or commercial operations purposes. The affidavit shall be filed with the commissioner along with a fee of \$25.

(c) Upon satisfaction that the affidavit is true and correct, the commissioner shall issue to the applicant special number plates, decalcomania labels or stamps bearing the inscription "Pioneer Classic" or "Antique," "Minnesota" and the registration number but no date. The special number plates, decalcomania labels or stamps are valid without renewal as long as the owner operates the aircraft solely as a collector's item.

(d) Should such an antique or classic aircraft be operated other than as a collector's item, the pioneer special number plates, decalcomania labels or stamps shall be void and removed, and the owner shall list the aircraft for taxation and registration in accordance with the other provisions of sections 360.511 to 360.67.

(e) Upon the sale of such an antique or classic aircraft, the new owner must list the aircraft for taxation and registration in accordance with the provisions of this subdivision, (including the payment of a \$25 fee) to obtain new special plates or payment of a \$5 fee to retain and transfer the existing special plates to the name of the new owner, or the other provisions of sections 360.511 to 360.67, whichever is applicable.

(f) In the event of defacement, loss or destruction of the special number plates, decalcomania labels or stamps, and upon receiving and filing a sworn affidavit of the aircraft owner setting forth the circumstances, together with any defaced plates, labels or stamps and a fee of \$5, the commissioner shall issue replacement plates, labels or stamps. The commissioner shall note on the records the issue of replacement number and shall proceed to cancel the original plates, labels or stamps.

Sec. 72. Minnesota Statutes 1998, section 368.01, subdivision 12, is amended to read:

Subd. 12. [TAXIS, HAULERS, CAR RENTERS.] The town board may by ordinance license and regulate baggage wagons, dray drivers, taxicabs, and automobile rental agencies and liveries. At a minimum, an ordinance to license or regulate taxicabs or small vehicle passenger service must provide for driver qualifications, insurance, vehicle safety, and periodic vehicle inspections.

Sec. 73. [388.151] [UNMARKED VEHICLES; LICENSE PLATES.]

Vehicles used by county attorneys to investigate allegations of criminal wrongdoings, to assist crime victims or witnesses, to aid in prosecuting criminal offenses, and for other uses consistent with the duties of the county attorney which the county attorney elects to operate as unmarked must be registered and must display passenger vehicle classification license number plates. The registrar of motor vehicles shall furnish the license plates at cost upon application and certification signed by the county attorney that the vehicles will be used exclusively for the purposes authorized by this section.

Sec. 74. Minnesota Statutes 1998, section 412.221, subdivision 20, is amended to read:

Subd. 20. [TAXIS, HAULERS, CAR RENTERS.] The council shall have power by ordinance to license and regulate baggage wagons, dray drivers, taxicabs, and automobile rental agencies and liveries. At a minimum, an ordinance to license or regulate taxicabs or small vehicle passenger service must provide for driver qualifications, insurance, vehicle safety, and periodic vehicle inspections.

Sec. 75. Minnesota Statutes 1998, section 458A.06, subdivision 5, is amended to read:

Subd. 5. [PROCEEDINGS BEFORE PUBLIC UTILITIES COMMISSION AND OTHER PUBLIC AUTHORITIES.] The transit commission may petition the public utilities commission commissioner of transportation for changes in rates of operators of public transit systems serving the transit area. Upon receipt of such petition, the public utilities commission commissioner shall order a hearing and conduct further proceedings thereon as provided by section 221.041, and other applicable laws and regulations rules. The transit commission may appear in behalf of the public interest in any such proceedings or in any other proceeding before the public utilities commission department of transportation, the interstate commerce commission federal agencies, the courts, or other public authorities involving any matter relating to public transit within or affecting the transit area.

Sec. 76. [473.906] [REPORT TO LEGISLATURE.]

The metropolitan radio board shall report to the legislature no later than March 1, 2000, concerning the status of the 800-MHz system. The report shall include: projected cost of the system; identification of groups of taxpayers or persons who pay fees who will pay for each part of the system; the number of radios purchased by any government unit; and an identification of manufacturers that have agreed to, or are expected to respond to requests for proposals to, deliver radios to the state or any government unit in connection with the 800-MHz project.

Sec. 77. Minnesota Statutes 1998, section 609.671, subdivision 5, is amended to read:

Subd. 5. [HAZARDOUS WASTE; UNLAWFUL TREATMENT, STORAGE, TRANSPORTATION, OR DELIVERY.] (a) A person is guilty of a felony who knowingly does any of the following:

(1) delivers hazardous waste to any person other than a person who is authorized to receive the waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 6921 to 6938;

(2) treats or stores hazardous waste without a permit if a permit is required, or in violation of a material term or condition of a permit held by the person, unless:

(i) the person notifies the agency prior to the time a permit would be required that the person will be treating or storing waste without a permit; or

(ii) for a violation of a material term or condition of a permit, the person immediately notifies the agency issuing the permit of the circumstances of the violation as soon as the person becomes aware of the violation;

(3) transports hazardous waste to any location other than a facility that is authorized to receive, treat, store, or dispose of the hazardous waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 6921 to 6938;

(4) transports hazardous waste without a manifest as required by the rules under sections section 116.07, subdivision 4, and 221.172; or

(5) transports hazardous waste without a license required for the transportation of hazardous waste by chapter 221.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$25,000, or both. A person convicted for a second or subsequent offense may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$50,000, or both.

Sec. 78. Laws 1995, chapter 195, article 1, section 18, is amended to read:

Sec. 18. [SUNSET.]

The metropolitan radio board is abolished effective July 1, 1999 <u>2002</u>. Effective July 1, 1999 <u>2002</u>, the board's duties and responsibilities are transferred to the metropolitan council or an appropriate state agency, as provided by law, based on the reports submitted by the metropolitan council under section 7, subdivision 3, of this article. The designated agency is the successor to all the property, interests, obligations, and rules of the metropolitan radio board.

Sec. 79. Laws 1998, chapter 404, section 17, subdivision 3, is amended to read:

Subd. 3. Transitways

46,500,000

(a) This appropriation is to match federal and local funding for the planning, design, engineering, and construction of transitways in the metropolitan area.

(b) \$40,000,000 is for the preliminary engineering, final design, and construction of light rail transit in the Hiawatha Avenue corridor from downtown Minneapolis through Minneapolis-St. Paul International Airport and the site of the former Met Center or surrounding area with a terminus in southern Hennepin or northern Dakota county.

The Hiawatha Avenue corridor management committee created pursuant to Minnesota Statutes, section 473.3994, subdivision 10, shall establish an advisory committee of:

(1) individuals who reside near the proposed corridor;

(2) representatives of businesses located within one mile on either side of the corridor; and

(3) elected officials, including legislators, who represent the area in which the Hiawatha corridor is located.

The advisory committee shall advise the corridor management committee on issues relating to the preliminary engineering, final design, and construction of light rail facilities, including the proposed alignment for the corridor.

(c) The funds in this paragraph must be distributed as grants to appropriate county regional rail authorities as follows:

(1) \$3,000,000 to match federal funding for a major investment study, engineering, and implementation in the Riverview corridor between the east side of St. Paul and the

Minneapolis-St. Paul International Airport and the Mall of America;

(2) \$1,500,000 to match federal funding for a major investment study, engineering, and implementation in the Northstar corridor linking downtown Minneapolis to the St. Cloud area and to study the feasibility: (i) of extending the corridor from St. Cloud to Little Falls and providing commuter rail service within this corridor; and (ii) of commuter rail and other transportation improvements within the corridor;

(3) \$500,000 to study potential transit improvements and engineering studies in the Cedar Avenue corridor to link the Hiawatha, Riverview, and Northstar transit corridors with Dakota county; and

(4) \$500,000 to develop engineering documents for a commuter rail line from Minneapolis to downtown St. Paul through southern Washington county to Hastings.

The commissioner of transportation, in coordination with the North Star Corridor Joint Powers Authority and the St. Cloud area planning agency, shall study the transportation needs within the St. Cloud metropolitan area.

(d) \$1,000,000 is available as grants to appropriate county regional rail authorities to conduct major investment studies and to develop engineering documents for commuter rail lines in the following corridors:

(1) the Young America corridor from Carver county to Minneapolis and St. Paul;

(2) the Bethel corridor linking Cambridge with the Northstar corridor in Anoka county;

(3) the Northwest corridor from downtown Minneapolis to the Northwest suburbs of Hennepin county; and

(4) other commuter rail corridors identified in phase II of the department of transportation's commuter rail service study, except for the corridors identified in paragraph (c).

The appropriation in this paragraph is not available until the completion of the commuter rail service study as provided in Laws 1997, chapter 159, article 2, section 51. The funds may be made available only after approval by the commissioner of transportation of an application submitted by county regional rail authorities that is consistent with the results of the commuter rail service study and demonstrates a coordinated implementation strategy.

Sec. 80. [PASSENGER RAIL SERVICE STUDY.]

The commissioner of transportation shall conduct a study of restoring and extending Amtrak rail passenger service to connect the Twin Cities, Duluth, and the Iron Range. The study must include, among other things:

(1) the feasibility and desirability of providing the service, including connecting the service with potential commuter rail and light rail routes identified by the commissioner;

(2) anticipated operating costs, and capital costs if any;

(3) projected ridership of the service and means to maximize ridership;

(4) examination of alternative rail routes, including track improvement issues, condition of depot facilities, travel time, and optimal operating schedules;

(5) analysis of alternative revenue sources, including federal TEA-21, regional railroad authorities, and the transport of United States mail; and

(6) examination of successful Amtrak-state-local partnerships in several other states, including Washington, North Carolina, New York, and California.

During the course of the study, the various regional railroad authorities located along the proposed routes are encouraged to cooperate with and provide the commissioner with any requested technical assistance.

The commissioner shall report to the governor and legislature on the results of the study not later than February 1, 2000.

Sec. 81. [TAXI REGULATION STUDY.]

The metropolitan council shall study and make recommendations to the legislature no later than February 1, 2000, concerning regulation by a single agency of taxicabs in the metropolitan area.

Sec. 82. [RECOMMENDATIONS.]

The department of public safety shall review Minnesota Statutes, sections 169.48 to 169.66, and any other sections of law that relate to vehicle lighting, and shall, on or before February 15, 2000, recommend to the legislature modifications in the law or administrative procedure to:

(1) clarify types, colors, brightness, and placement of allowable vehicle lighting;

(2) give adequate notice to the public and to law enforcement concerning vehicle lighting that is in violation of the law;

(3) ensure expedient administrative approval or disapproval of lighting devices; and

(4) allow vehicles to display the maximum range of vehicle lighting that is consistent with public safety.

Sec. 83. [REPORT; LARGE URBANIZED TRANSIT SYSTEMS.]

(a) The legislative auditor is requested to gather information and report to the chairs of the house and senate committees on transportation policy and finance by October 1, 1999, on expenditures and amount and sources of revenues, including revenues from farebox sources, governmental assistance, and contracts, of the Duluth transit authority for calendar years 1994 through 1998.

(b) The commissioner of transportation and the Duluth transit authority shall submit to the chairs of the house and senate committees on transportation policy and finance no later than October 1, 1999, a joint recommendation concerning the appropriate percentage of total operating cost to be paid from local sources by recipients of large urbanized area transit state operating assistance under Minnesota Statutes, section 174.24, subdivision 3b.

67TH DAY]

MONDAY, MAY 17, 1999

Sec. 84. [STATE DEVELOPMENT STRATEGY; PROPOSAL.]

(a) The director of the office of strategic and long-range planning shall develop, in coordination with the metropolitan council and the commissioners of transportation, trade and economic development, and natural resources, a 20-year state development strategy. The strategy must include:

(1) forecasts, issues, goals, and policies relating to development and the connection between transportation, land use, environmental protection, energy, and economic development;

(2) an identification of major development and transportation corridors in the state;

(3) an identification of cultural and natural features and resources of statewide, regional, and local significance;

(4) recommendations for coordinated state investments necessary to achieve goals and policies in the area of infrastructure, including transportation and wastewater treatment facilities;

(5) a description of any legislation or programmatic changes necessary to implement the plan;

(6) recommendation for approaches for coordinating local government decisions with the strategy; and

(7) a process for encompassing the community-based planning goals in Minnesota Statutes, section 4A.08, including citizen participation and intergovernmental cooperation.

(b) The director shall submit to the legislature by February 15, 2000, an evaluation and proposal for preparing the state development strategy based on development of a prototype strategy for the I-94 corridor area between the metropolitan area and St. Cloud.

Sec. 85. [CONVERSION OF CERTIFICATES.]

A motor carrier of passengers with a valid certificate or permit issued by the transportation regulation board, public service commission, public utilities commission, or commissioner of transportation before January 1, 2000, is deemed to have registered under Minnesota Statutes, section 221.0252, and the commissioner of transportation shall issue a certificate of registration to the carrier. A certificate of registration issued under this section must include a date between January 1, 2001, and December 31, 2001, on which it expires. Before a certificate of registration expires, after giving notice to the carrier, the commissioner shall follow the procedures in Minnesota Statutes, section 221.0252, to renew the carrier's registration. Minnesota Statutes, section 221.124, does not apply to a carrier who is issued a certificate of registration under this section.

Sec. 86. [MOTOR CARRIER SERVICE AT MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT.]

Until July 1, 2000, only a motor carrier with a valid certificate, permit, or certificate of registration, issued by the transportation regulation board, public service commissioner, public utilities commission, or commissioner of transportation, or a carrier specifically authorized by the metropolitan airports commission, may pick up passengers at the Minneapolis-St. Paul International Airport.

Sec. 87. [UTILITY RELOCATION STUDY.]

The commissioner of transportation, in consultation with representatives of the highway construction and utility industries, shall study issues related to relocating or removing utilities from highway construction projects. The study must include (1) notice given to utilities about construction projects that affect utility facilities, and (2) the rights and responsibilities of the department of transportation, highway construction contractors, and utilities. The commissioner shall report by January 15, 2000, to the house and senate committees with jurisdiction over transportation policy on recommendations for actions by the department or the legislature.

Sec. 88. [FEDERAL FUNDS.]

The commissioner of transportation shall take no action under section 29 that would result in a loss of federal funds to the state.

Sec. 89. [PUBLIC SAFETY RADIO COMMUNICATION SYSTEM; AGREEMENT.]

Notwithstanding any other law, in order to facilitate construction of the initial backbone of the public safety radio communication system in the metropolitan area, the commissioner of transportation may enter into a contract under which a private telecommunications company agrees to (1) construct a telecommunications tower acceptable to the commissioner on land owned by the Minnesota correctional facility-Lino Lakes and leased to the commissioner and the metropolitan radio board, and (2) deliver to the commissioner title to the tower, free of all encumbrances. The commissioner may accept the tower in exchange for allowing the private telecommunications company delivering title to the tower to locate telecommunications equipment without charge on state-owned buildings or structures under the commissioner's jurisdiction and control. The commissioner may enter into a contract under this section only with a company that responded to a request for proposals issued in August 1998 by the commissioner of administration for radio tower construction. The value of the location of privately owned equipment on state-owned buildings or structures for the duration of the contract must be similar to the value of the tower constructed for the commissioner. A contract authorized under this section may be for a term of not more than 20 years. Notwithstanding Minnesota Statutes, sections 16A.15 and 16A.41, a contract authorized under this section may provide that the commissioner will pay for the unamortized cost of the tower if the contract is canceled before its expiration. Minnesota Statutes, chapters 16B and 16C, do not apply to a contract authorized under this section. A contract authorized by this section is not valid until approved by the attorney general.

Sec. 90. [REPORT.]

The commissioner of public safety shall report to the chairs of the senate and house of representatives committees on transportation policy and transportation finance on February 15, 2000, and February 15, 2001, on revenue from the sale of advertising in department publications and expenditure of that revenue.

Sec. 91. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall make cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering of clauses in section 23.

Sec. 92. [REPEALER.]

(a) Minnesota Statutes 1998, sections 168.011, subdivision 36; 168.1281; 221.011, subdivisions 7, 9, 20, 21, 32, and 34; 221.041; 221.051; 221.061; 221.071; 221.081; 221.121, subdivisions 6b and 6h; 221.172, subdivision 9; 221.281; and 221.85, are repealed.

(b) Minnesota Statutes 1998, section 473.3998, is repealed.

Sec. 93. [EFFECTIVE DATE.]

Sections 21 and 22 are effective the day following final enactment, and are repealed on July 31, 2000. Sections 2, 15, 32, 33, 35 to 67, 72, 74, 75, 77, and 85 are effective January 1, 2000. Sections 7 to 14 are effective July 1, 2000. Section 27 is effective July 1, 1999, for Minnesota identification cards issued on and after that date. Sections 4, 5, and 30 are effective July 1, 2001."

Delete the title and insert:

"A bill for an act relating to transportation; appropriating money for the department of transportation and other agencies; authorizing certain fees; providing for a maximum percentage of the motorcycle safety fund that may be spent for certain activities; exempting from registration taxes vehicles owned by a commercial driving school and used exclusively in driver education and training; allowing payment of prorated license fee following transfer of vehicle from dealer;

modifying provisions relating to disability parking privileges; abolishing certain credit for vehicle registration fee; modifying provisions relating to vehicle titles, registrations, and transfers; authorizing suspension of a vehicle's registration in certain circumstances; requiring a detachable postcard to be provided in a vehicle's certificate of title and completed; specifically authorizing cities to enact ordinances regulating long-term parking; allowing certain lighting devices mounted on delivery vehicles; providing equipment for deputy registrars; modifying driver instruction permit provisions; providing for driver training for home school students; reducing cost of Minnesota identification card for persons with serious and persistent mental illness; changing definition of "directional signs"; authorizing siting of public safety radio communications towers; directing commissioner of transportation to establish a southern railway corridor improvement plan; setting minimum requirements for local regulation of small vehicle passenger service; modifying provisions relating to motor carriers; changing percentage of gas tax attributed to snowmobiles; regulating advertising in department of public safety publications; modifying provisions relating to special number plates for classic aircraft; requiring report of metropolitan radio board; extending existence of metropolitan radio board; requiring commissioner of transportation to study feasibility of extending Northstar commuter rail corridor from St. Cloud to Little Falls; requiring commissioner of transportation to study restoration of Amtrak rail passenger service; requiring taxi regulation study; restricting passenger motor carrier service at the international airport; requiring commissioner of public safety to make recommendations concerning allowable vehicle lighting; requiring office of strategic and long-range planning to establish state development strategy and report to legislature concerning I-94 corridor; authorizing commissioner of transportation to contract for the public safety radio communication system; modifying definitions; making technical and clarifying changes; requiring studies and reports; amending Minnesota Statutes 1998, sections 121A.36, subdivision 3; 168.011, subdivision 35; 168.012, subdivision 1; 168.013, subdivisions 2 and 6; 168.021, subdivision 2; 168.17; 168.301, subdivisions 3 and 4; 168A.05, subdivision 5; 168A.10, subdivisions 1, 2, and 5; 168A.30, subdivision 2; 169.122, subdivision 5; 169.345, subdivisions 1, 3, and 4; 169.346, subdivision 3, and by adding a subdivision; 169.55, subdivision 1; 169.58, by adding a subdivision; 171.04, subdivision 1; 171.05, subdivisions 1a and 2; 171.061, subdivision 4; 171.07, subdivision 3; 171.39; 173.02, subdivision 6; 174.24, subdivision 3b; 174.70; 174A.02, subdivision 4; 174A.06; 221.011, subdivisions 15, 37, 38, and by adding subdivisions; 221.021; 221.022; 221.025; 221.0251; 221.026, subdivision 2; 221.031, subdivisions 1, 2, 6, and 7; 221.036, subdivisions 1 and 3; 221.091; 221.122, subdivision 1; 221.124; 221.131, subdivision 2; 221.141, subdivision 1; subdivision 2; 221.122, subdivision 1, 221.124, 221.151, subdivision 2; 221.141, subdivision 1; 221.172, subdivision 10; 221.185, subdivisions 1, 2, 3, 4, 9, and by adding a subdivision; 221.221, subdivision 3; 221.291, subdivision 4; 221.55; 296A.18, subdivision 3; 299A.01, by adding a subdivision; 360.531, subdivision 3; 360.55, subdivision 4; 368.01, subdivision 12; 412.221, subdivision 20; 458A.06, subdivision 5; 609.671, subdivision 5; Laws 1995, chapter 195, article 1, subdivision 18; Laws 1907, chapter 150, article 1, article section 18; Laws 1997, chapter 159, article 1, sections 2, subdivision 7, and 4, subdivision 3; Laws 1998, chapter 404, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 219; 221; 388; 473; repealing Minnesota Statutes 1998, sections 168.011, subdivision 36; 168.1281; 221.011, subdivisions 7, 9, 20, 21, 32, and 34; 221.041; 221.051; 221.061; 221.071; 221.081; 221.121, subdivisions 6b and 6h; 221.172, subdivision 9; 221.281; 221.85; and 473.3998."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Carol L. Molnau, William Kuisle, Tom Workman, Bernard L. "Bernie" Lieder, Henry J. Kalis

Senate Conferees: (Signed) Janet B. Johnson, Keith Langseth, Mark Ourada, Carol Flynn, Dean E. Johnson

Senator Johnson, J.B. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2387 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

Pursuant to Rule 22, Senator Kleis moved that he be excused from voting on H.F. No. 2387. The motion prevailed.

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H.F. No. 2387 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson Marty Ranum

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 333 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 333

A bill for an act relating to crime prevention; requiring disclosure to consumer of consumer report recipients; providing criminal penalties and forfeiture sanctions for persons who transfer, possess, or use the identity of another with intent to commit or aid in the commission of certain unlawful activity; amending Minnesota Statutes 1998, sections 609.531, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 13C; and 609.

May 11, 1999

The Honorable Allan H. Spear President of the Senate

The Honorable Steve Sviggum Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 333, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 333 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 13C.01, subdivision 1, is amended to read:

Subdivision 1. [FEE FOR REPORT.] (a) A consumer who is the subject of a consumer report maintained by a consumer reporting agency is entitled to request and receive by mail, for a charge not to exceed \$8 \$3, a copy of the consumer report once in any 12-month period. The mailing

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must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et seq., for that purpose. The consumer reporting agency shall respond to a request under this subdivision within 30 days.

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the consumer report in order to confirm that the consumer report was corrected.

(c) A consumer is entitled to a free copy of a consumer report if the consumer satisfies the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et seq.

Sec. 2. [609.527] [IDENTITY THEFT.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them in this subdivision.

(b) "Direct victim" means any person or entity described in section 611A.01, paragraph (b), whose identity has been transferred, used, or possessed in violation of this section.

(c) "Identity" means any name, number, or data transmission that may be used, alone or in conjunction with any other information, to identify a specific individual, including any of the following:

(1) a name, social security number, date of birth, official government-issued driver's license or identification number, government passport number, or employer or taxpayer identification number;

(2) unique electronic identification number, address, account number, or routing code; or

(3) telecommunication identification information or access device.

(d) "Indirect victim" means any person or entity described in section 611A.01, paragraph (b), other than a direct victim.

(e) "Loss" means value obtained, as defined in section 609.52, subdivision 1, clause (3), and expenses incurred by a direct or indirect victim as a result of a violation of this section.

(f) "Unlawful activity" means:

(1) any felony violation of the laws of this state or any felony violation of a similar law of another state or the United States; and

(2) any non-felony violation of the laws of this state involving theft, theft by swindle, forgery, fraud, or giving false information to a public official, or any non-felony violation of a similar law of another state or the United States.

Subd. 2. [CRIME.] A person who transfers, possesses, or uses an identity that is not the person's own, with the intent to commit, aid, or abet any unlawful activity is guilty of identity theft and may be punished as provided in subdivision 3.

Subd. 3. [PENALTIES.] A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is \$200 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is more than \$200 but not more than \$500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves two or three direct victims or the total, combined loss to the direct and indirect victims is more than \$500 but not more than \$2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3); and

(4) if the offense involves four or more direct victims, or if the total, combined loss to the direct and indirect victims is more than \$2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2).

Subd. 4. [RESTITUTION.] A direct or indirect victim of an identity theft crime shall be considered a victim for all purposes, including any rights that accrue under chapter 611A and rights to court-ordered restitution.

Sec. 3. Minnesota Statutes 1998, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.245; 609.255; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.425; 609.425; 609.426; 609.485; 609.487; 609.525; 609.527; 609.527; 609.53; 609.545; 609.551; 609.561; 609.562; 609.563; 609.582; 609.595; 609.825; 609.865; 609.885; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 4. Minnesota Statutes 1998, section 609.902, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL ACT.] "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 297D.09; 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.344; 609.345; 609.42; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (3)(b) or clause 3(d)(v) or (vi); section 609.52, subdivision 2, clause (4); 609.527, if the crime is punishable under subdivision 3, clause (3)(b) or clause 3(d)(v) or (vi); section 3, clause (4) or (5); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668,

subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 609.894, subdivision 3 or 4; 624.713; 624.74; or 626A.02, subdivision 1, if the offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1999, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; entitling consumers to free copies of consumer reports; providing criminal penalties and forfeiture sanctions for persons who transfer, possess, or use the identity of another with intent to commit or aid in the commission of certain unlawful activity; amending Minnesota Statutes 1998, sections 13C.01, subdivision 1; 609.531, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 609."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Randy C. Kelly, Warren Limmer, David J. Ten Eyck

House Conferees: (Signed) Dave Bishop, Jim Seifert, Wesley J. "Wes" Skoglund

Senator Kelly, R.C. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 333 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 333 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1219 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1219

A bill for an act relating to health; establishing a uniform complaint resolution process for health plan companies; establishing an external review process; amending Minnesota Statutes 1998, sections 62D.11, subdivision 1; 62M.01; 62M.02, subdivisions 3, 4, 5, 6, 7, 9, 10, 11, 12, 17, 20, 21, and by adding a subdivision; 62M.03, subdivisions 1 and 3; 62M.04, subdivisions 1, 2, 3, and 4; 62M.05; 62M.06; 62M.07; 62M.09, subdivision 3; 62M.10, subdivisions 2, 5, and 7; 62M.12; 62M.15; 62Q.106; 62Q.19, subdivision 5a; 62T.04; 72A.201, subdivision 4a; and 256B.692, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62D; and 62Q; repealing Minnesota Statutes 1998, sections 62D.11, subdivisions 1b and 2; 62Q.105; and 62Q.30; Minnesota Rules, parts 4685.0100, subparts 4 and 4a; 4685.1010, subpart 3; and 4685.1700.

May 17, 1999

The Honorable Allan H. Spear President of the Senate

The Honorable Steve Sviggum Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1219, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1219 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 62D.11, subdivision 1, is amended to read:

Subdivision 1. [ENROLLEE COMPLAINT SYSTEM.] Every health maintenance organization shall establish and maintain a complaint system, as required under section 62Q.105 sections 62Q.68 to 62Q.72 to provide reasonable procedures for the resolution of written complaints initiated by or on behalf of enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. The health maintenance organization must inform enrollees that they may choose to use arbitration to appeal a health maintenance organization's internal appeal decision. The health maintenance organization's internal appeal decision not to certify an admission, procedure, service, or extension of stay under section 62M.06. If an enrollee chooses to use arbitration, the health maintenance organization must participate.

Sec. 2. [62D.124] [GEOGRAPHIC ACCESSIBILITY.]

Subdivision 1. [PRIMARY CARE; MENTAL HEALTH SERVICES; GENERAL HOSPITAL SERVICES.] Within the health maintenance organization's service area, the maximum travel distance or time shall be the lesser of 30 miles or 30 minutes to the nearest provider of each of the following services: primary care services, mental health services, and general hospital services. The health maintenance organization must designate which method is used.

<u>Subd. 2.</u> [OTHER HEALTH SERVICES.] Within a health maintenance organization's service area, the maximum travel distance or time shall be the lesser of 60 miles or 60 minutes to the nearest provider of specialty physician services, ancillary services, specialized hospital services, and all other health services not listed in subdivision 1. The health maintenance organization must designate which method is used.

Subd. 3. [EXCEPTION.] The commissioner shall grant an exception to the requirements of this section according to Minnesota Rules, part 4685.1010, subpart 4, if the health maintenance organization can demonstrate with specific data that the requirement of subdivision 1 or 2 is not feasible in a particular service area or part of a service area.

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(b) Subdivision 1 does not apply:

(1) if an enrollee has chosen a health plan with full knowledge that the health plan has no participating providers within 30 miles or 30 minutes of the enrollee's place of residence; or

(2) to service areas approved before May 24, 1993.

Sec. 3. Minnesota Statutes 1998, section 62M.01, is amended to read:

62M.01 [CITATION, JURISDICTION, AND SCOPE.]

Subdivision 1. [POPULAR NAME.] Sections 62M.01 to 62M.16 may be cited as the "Minnesota Utilization Review Act of 1992."

Subd. 2. [JURISDICTION.] Sections 62M.01 to 62M.16 apply to any insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network licensed under chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, that provides utilization review services for the administration of benefits under a health benefit plan as defined in section 62M.02; or any entity performing utilization review on behalf of a business entity in this state pursuant to a health benefit plan covering a Minnesota resident.

Subd. 3. [SCOPE.] Sections 62M.02, 62M.07, and 62M.09, subdivision 4, apply to prior authorization of services. Nothing in sections 62M.01 to 62M.16 applies to review of claims after submission to determine eligibility for benefits under a health benefit plan. The appeal procedure described in section 62M.06 applies to any complaint as defined under section 62Q.68, subdivision 2, that requires a medical determination in its resolution.

Sec. 4. Minnesota Statutes 1998, section 62M.02, subdivision 3, is amended to read:

Subd. 3. [ATTENDING DENTIST.] "Attending dentist" means the dentist with primary responsibility for the dental care provided to a patient an enrollee.

Sec. 5. Minnesota Statutes 1998, section 62M.02, subdivision 4, is amended to read:

Subd. 4. [ATTENDING PHYSICIAN HEALTH CARE PROFESSIONAL.] "Attending physician health care professional" means the physician health care professional providing care within the scope of their practice and with primary responsibility for the care provided to a patient in a hospital or other health care facility an enrollee. Attending health care professional shall include only physicians; chiropractors; dentists; mental health professionals as defined in section 245.462, subdivision 18, or section 245.4871, subdivision 27; podiatrists; and advanced practice nurses.

Sec. 6. Minnesota Statutes 1998, section 62M.02, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION.] "Certification" means a determination by a utilization review organization that an admission, extension of stay, or other health care service has been reviewed and that it, based on the information provided, meets the utilization review requirements of the applicable health plan and the health carrier plan company will then pay for the covered benefit, provided the preexisting limitation provisions, the general exclusion provisions, and any deductible, copayment, coinsurance, or other policy requirements have been met.

Sec. 7. Minnesota Statutes 1998, section 62M.02, subdivision 6, is amended to read:

Subd. 6. [CLAIMS ADMINISTRATOR.] "Claims administrator" means an entity that reviews and determines whether to pay claims to enrollees, physicians, hospitals, or others or providers based on the contract provisions of the health plan contract. Claims administrators may include insurance companies licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network licensed under chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended.

Sec. 8. Minnesota Statutes 1998, section 62M.02, subdivision 7, is amended to read:

Subd. 7. [CLAIMANT.] "Claimant" means the enrollee or covered person who files a claim for benefits or a provider of services who, pursuant to a contract with a claims administrator, files a claim on behalf of an enrollee or covered person.

Sec. 9. Minnesota Statutes 1998, section 62M.02, subdivision 9, is amended to read:

Subd. 9. [CONCURRENT REVIEW.] "Concurrent review" means utilization review conducted during a patient's an enrollee's hospital stay or course of treatment and has the same meaning as continued stay review.

Sec. 10. Minnesota Statutes 1998, section 62M.02, subdivision 10, is amended to read:

Subd. 10. [DISCHARGE PLANNING.] "Discharge planning" means the process that assesses a patient's an enrollee's need for treatment after hospitalization in order to help arrange for the necessary services and resources to effect an appropriate and timely discharge.

Sec. 11. Minnesota Statutes 1998, section 62M.02, subdivision 11, is amended to read:

Subd. 11. [ENROLLEE.] "Enrollee" means an individual who has elected to contract for, or participate in, a health benefit plan for enrollee coverage or for dependent coverage covered by a health benefit plan and includes an insured policyholder, subscriber, contract holder, member, covered person, or certificate holder.

Sec. 12. Minnesota Statutes 1998, section 62M.02, subdivision 12, is amended to read:

Subd. 12. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate issued by a health earrier to an employer or individual plan company for the coverage of medical, dental, or hospital benefits. A health benefit plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

- (6) blanket accident and sickness insurance as defined in section 62A.11;
- (7) accident only coverage issued by a licensed and tested insurance agent; or
- (8) workers' compensation.

Sec. 13. Minnesota Statutes 1998, section 62M.02, is amended by adding a subdivision to read:

Subd. 12a. [HEALTH PLAN COMPANY.] "Health plan company" means a health plan company as defined in section 62Q.01, subdivision 4, and includes an accountable provider network operating under chapter 62T.

Sec. 14. Minnesota Statutes 1998, section 62M.02, subdivision 17, is amended to read:

Subd. 17. [PROVIDER.] "Provider" means a licensed health care facility, physician, or other health care professional that delivers health care services to an enrollee or covered person.

Sec. 15. Minnesota Statutes 1998, section 62M.02, subdivision 20, is amended to read:

Subd. 20. [UTILIZATION REVIEW.] "Utilization review" means the evaluation of the necessity, appropriateness, and efficacy of the use of health care services, procedures, and facilities, by a person or entity other than the attending physician health care professional, for the purpose of determining the medical necessity of the service or admission. Utilization review also includes review conducted after the admission of the enrollee. It includes situations where the enrollee is unconscious or otherwise unable to provide advance notification. Utilization review does not include the imposition of a requirement that services be received by or upon referral from a participating provider a referral or participation in a referral process by a participating provider unless the provider is acting as a utilization review organization.

Sec. 16. Minnesota Statutes 1998, section 62M.02, subdivision 21, is amended to read:

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network licensed under chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state.

Sec. 17. Minnesota Statutes 1998, section 62M.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSED UTILIZATION REVIEW ORGANIZATION.] Beginning January 1, 1993, any organization that meets the definition of utilization review organization in section 62M.02, subdivision 21, must be licensed under chapter 60A, 62C, 62D, 62N, 62T, or 64B, or registered under this chapter and must comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a. Each licensed community integrated service network or health maintenance organization that has an employed staff model of providing health care services shall comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a, for any services provided by providers under contract.

Sec. 18. Minnesota Statutes 1998, section 62M.03, subdivision 3, is amended to read:

Subd. 3. [PENALTIES AND ENFORCEMENTS.] If a utilization review organization fails to comply with sections 62M.01 to 62M.16, the organization may not provide utilization review services for any Minnesota resident. The commissioner of commerce may issue a cease and desist order under section 45.027, subdivision 5, to enforce this provision. The cease and desist order is subject to appeal under chapter 14. A nonlicensed utilization review organization that fails to comply with the provisions of sections 62M.01 to 62M.16 is subject to all applicable penalty and enforcement provisions of section 72A.201. Each utilization review organization licensed under chapter 60A, 62C, 62D, 62N, <u>62T</u>, or 64B shall comply with sections 62M.01 to 62M.16 as a condition of licensure.

Sec. 19. Minnesota Statutes 1998, section 62M.04, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY FOR OBTAINING CERTIFICATION.] A health benefit plan that includes utilization review requirements must specify the process for notifying the utilization review organization in a timely manner and obtaining certification for health care services. Each health plan company must provide a clear and concise description of this process to an enrollee as part of the policy, subscriber contract, or certificate of coverage. In addition to the enrollee, the utilization review organization must allow any licensed hospital, physician or the physician's provider or provider's designee, or responsible patient representative, including a family member, to fulfill the obligations under the health plan.

A claims administrator that contracts directly with providers for the provision of health care services to enrollees may, through contract, require the provider to notify the review organization in a timely manner and obtain certification for health care services.

Sec. 20. Minnesota Statutes 1998, section 62M.04, subdivision 2, is amended to read:

Subd. 2. [INFORMATION UPON WHICH UTILIZATION REVIEW IS CONDUCTED.] If the utilization review organization is conducting routine prospective and concurrent utilization review, utilization review organizations must collect only the information necessary to certify the admission, procedure of treatment, and length of stay.

(a) Utilization review organizations may request, but may not require, hospitals, physicians, or other providers to supply numerically encoded diagnoses or procedures as part of the certification process.

(b) Utilization review organizations must not routinely request copies of medical records for all patients reviewed. In performing prospective and concurrent review, copies of the pertinent portion of the medical record should be required only when a difficulty develops in certifying the medical necessity or appropriateness of the admission or extension of stay.

(c) Utilization review organizations may request copies of medical records retrospectively for a number of purposes, including auditing the services provided, quality assurance review, ensuring compliance with the terms of either the health benefit plan or the provider contract, and compliance with utilization review activities. Except for reviewing medical records associated with an appeal or with an investigation or audit of data discrepancies, health care providers must be reimbursed for the reasonable costs of duplicating records requested by the utilization review organization for retrospective review unless otherwise provided under the terms of the provider contract.

Sec. 21. Minnesota Statutes 1998, section 62M.04, subdivision 3, is amended to read:

Subd. 3. [DATA ELEMENTS.] Except as otherwise provided in sections 62M.01 to 62M.16, for purposes of certification a utilization review organization must limit its data requirements to the following elements:

- (a) Patient information that includes the following:
- (1) name;
- (2) address;
- (3) date of birth;
- (4) sex;
- (5) social security number or patient identification number;
- (6) name of health carrier plan company or health plan; and
- (7) plan identification number.
- (b) Enrollee information that includes the following:
- (1) name;

- (2) address;
- (3) social security number or employee identification number;
- (4) relation to patient;
- (5) employer;
- (6) health benefit plan;
- (7) group number or plan identification number; and
- (8) availability of other coverage.

(c) Attending physician or provider <u>health care professional</u> information that includes the following:

- (1) name;
- (2) address;
- (3) telephone numbers;
- (4) degree and license;
- (5) specialty or board certification status; and
- (6) tax identification number or other identification number.
- (d) Diagnosis and treatment information that includes the following:
- (1) primary diagnosis with associated ICD or DSM coding, if available;
- (2) secondary diagnosis with associated ICD or DSM coding, if available;
- (3) tertiary diagnoses with associated ICD or DSM coding, if available;
- (4) proposed procedures or treatments with ICD or associated CPT codes, if available;
- (5) surgical assistant requirement;
- (6) anesthesia requirement;
- (7) proposed admission or service dates;
- (8) proposed procedure date; and
- (9) proposed length of stay.
- (e) Clinical information that includes the following:
- (1) support and documentation of appropriateness and level of service proposed; and
- (2) identification of contact person for detailed clinical information.
- (f) Facility information that includes the following:
- (1) type;
- (2) licensure and certification status and DRG exempt status;
- (3) name;
- (4) address;

- (5) telephone number; and
- (6) tax identification number or other identification number.
- (g) Concurrent or continued stay review information that includes the following:
- (1) additional days, services, or procedures proposed;

(2) reasons for extension, including clinical information sufficient for support of appropriateness and level of service proposed; and

(3) diagnosis status.

(h) For admissions to facilities other than acute medical or surgical hospitals, additional information that includes the following:

- (1) history of present illness;
- (2) patient treatment plan and goals;
- (3) prognosis;
- (4) staff qualifications; and
- (5) 24-hour availability of staff.

Additional information may be required for other specific review functions such as discharge planning or catastrophic case management. Second opinion information may also be required, when applicable, to support benefit plan requirements.

Sec. 22. Minnesota Statutes 1998, section 62M.04, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL INFORMATION.] A utilization review organization may request information in addition to that described in subdivision 3 when there is significant lack of agreement between the utilization review organization and the health care provider regarding the appropriateness of certification during the review or appeal process. For purposes of this subdivision, "significant lack of agreement" means that the utilization review organization has:

(1) tentatively determined through its professional staff that a service cannot be certified;

(2) referred the case to a physician for review; and

(3) talked to or attempted to talk to the attending physician health care professional for further information.

Nothing in sections 62M.01 to 62M.16 prohibits a utilization review organization from requiring submission of data necessary to comply with the quality assurance and utilization review requirements of chapter 62D or other appropriate data or outcome analyses.

Sec. 23. Minnesota Statutes 1998, section 62M.05, is amended to read:

62M.05 [PROCEDURES FOR REVIEW DETERMINATION.]

Subdivision 1. [WRITTEN PROCEDURES.] A utilization review organization must have written procedures to ensure that reviews are conducted in accordance with the requirements of this chapter and section 72A.201, subdivision 4a.

Subd. 2. [CONCURRENT REVIEW.] A utilization review organization may review ongoing inpatient stays based on the severity or complexity of the patient's enrollee's condition or on necessary treatment or discharge planning activities. Such review must not be consistently conducted on a daily basis.

Subd. 3. [NOTIFICATION OF DETERMINATIONS.] A utilization review organization must

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have written procedures for providing notification of its determinations on all certifications in accordance with the following: this section.

Subd. 3a. [STANDARD REVIEW DETERMINATION.] (a) Notwithstanding subdivision 3b, an initial determination on all requests for utilization review must be communicated to the provider and enrollee in accordance with this subdivision within ten business days of the request, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(b) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the hospital, attending physician, or applicable service provider within ten business days of the determination in accordance with section 72A.201, subdivision 4a, provider or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to; the enrollee or patient; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number."

(b) (c) When a <u>an initial</u> determination is made not to certify <u>a hospital or surgical facility</u> admission or extension of <u>a hospital stay</u>, or other service requiring review determination, notification must be provided by telephone within one working day after making the decision determination to the attending physician health care professional and hospital must be notified by telephone and a written notification must be sent to the hospital, attending physician health care professional, and enrollee or patient. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the attending physician or provider or enrollee with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the attending physician provider or enrollee.

(d) When an initial determination is made not to certify, the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process described in section 62M.06 and the procedure for initiating the internal appeal.

<u>Subd.</u> 3b. [EXPEDITED REVIEW DETERMINATION.] (a) An expedited initial determination must be utilized if the attending health care professional believes that an expedited determination is warranted.

(b) Notification of an expedited initial determination to either certify or not to certify must be provided to the hospital, the attending health care professional, and the enrollee as expeditiously as the enrollee's medical condition requires, but no later than 72 hours from the initial request. When an expedited initial determination is made not to certify, the utilization review organization must also notify the enrollee and the attending health care professional of the right to submit an appeal to the expedited internal appeal as described in section 62M.06 and the procedure for initiating an internal expedited appeal.

Subd. 4. [FAILURE TO PROVIDE NECESSARY INFORMATION.] A utilization review organization must have written procedures to address the failure of a health care provider, patient, or representative of either or enrollee to provide the necessary information for review. If the patient enrollee or provider will not release the necessary information to the utilization review organization, the utilization review organization may deny certification in accordance with its own policy or the policy described in the health benefit plan.

<u>Subd. 5.</u> [NOTIFICATION TO CLAIMS ADMINISTRATOR.] If the utilization review organization and the claims administrator are separate entities, the utilization review organization must forward, electronically or in writing, a notification of certification or determination not to certify to the appropriate claims administrator for the health benefit plan.

Sec. 24. Minnesota Statutes 1998, section 62M.06, is amended to read:

62M.06 [APPEALS OF DETERMINATIONS NOT TO CERTIFY.]

Subdivision 1. [PROCEDURES FOR APPEAL.] A utilization review organization must have written procedures for appeals of determinations not to certify an admission, procedure, service, or extension of stay. The right to appeal must be available to the enrollee or designee and to the attending physician health care professional. The right of appeal must be communicated to the enrollee or designee or to the attending physician, whomever initiated the original certification request, at the time that the original determination is communicated.

Subd. 2. [EXPEDITED APPEAL.] (a) When an initial determination not to certify a health care service is made prior to or during an ongoing service requiring review, and the attending physician health care professional believes that the determination warrants immediate an expedited appeal, the utilization review organization must ensure that the enrollee and the attending physician, enrollee, or designee has health care professional have an opportunity to appeal the determination over the telephone on an expedited basis. In such an appeal, the utilization review organization must ensure reasonable access to its consulting physician or health care provider. Expedited appeals that are not resolved may be resubmitted through the standard appeal process.

(b) The utilization review organization shall notify the enrollee and attending health care professional by telephone of its determination on the expedited appeal as expeditiously as the enrollee's medical condition requires, but no later than 72 hours after receiving the expedited appeal.

(c) If the determination not to certify is not reversed through the expedited appeal, the utilization review organization must include in its notification the right to submit the appeal to the external appeal process described in section 62Q.73 and the procedure for initiating the process. This information must be provided in writing to the enrollee and the attending health care professional as soon as practical.

Subd. 3. [STANDARD APPEAL.] The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) Each <u>A</u> utilization review organization shall notify in writing the enrollee or patient, attending physician health care professional, and claims administrator of its determination on the appeal as soon as practical, but in no case later than 45 days after receiving the required documentation on the appeal within 30 days upon receipt of the notice of appeal. If the utilization review organization cannot make a determination within 30 days due to circumstances outside the control of the utilization review organization, the utilization review organization may take up to 14 additional days to notify the enrollee, attending health care professional, and claims administrator of its determination. If the utilization review organization takes any additional days beyond the initial 30-day period to make its determination, it must inform the enrollee, attending health care professional, and claims administrator, in advance, of the extension and the reasons for the extension.

(b) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the <u>attending</u> health care provider professional.

(c) Prior to upholding the original decision initial determination not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the original initial determination not to certify.

(d) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the patient, enrollee, or and attending physician health care professional when the initial determination is made.

(e) An attending physician health care professional or enrollee who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

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(1) a complete summary of the review findings;

(2) qualifications of the reviewers, including any license, certification, or specialty designation; and

(3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.

(f) In cases of appeal to reverse a determination not to certify for clinical reasons, the utilization review organization must, upon request of the attending <u>physician health care professional</u>, ensure that a physician of the utilization review organization's choice in the same or a similar general specialty as typically manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

(g) If the initial determination is not reversed on appeal, the utilization review organization must include in its notification the right to submit the appeal to the external review process described in section 62Q.73 and the procedure for initiating the external process.

Subd. 4. [NOTIFICATION TO CLAIMS ADMINISTRATOR.] If the utilization review organization and the claims administrator are separate entities, the utilization review organization must forward notify, either electronically or in writing, a notification of certification or determination not to certify to the appropriate claims administrator for the health benefit plan of any determination not to certify that is reversed on appeal.

Sec. 25. Minnesota Statutes 1998, section 62M.07, is amended to read:

62M.07 [PRIOR AUTHORIZATION OF SERVICES.]

(a) Utilization review organizations conducting prior authorization of services must have written standards that meet at a minimum the following requirements:

(1) written procedures and criteria used to determine whether care is appropriate, reasonable, or medically necessary;

(2) a system for providing prompt notification of its determinations to enrollees and providers and for notifying the provider, enrollee, or enrollee's designee of appeal procedures under clause (4);

(3) compliance with section 72A.201 62M.05, subdivision 4a subdivisions 3a and 3b, regarding time frames for approving and disapproving prior authorization requests;

(4) written procedures for appeals of denials of prior authorization which specify the responsibilities of the enrollee and provider, and which meet the requirements of section sections 62M.06 and 72A.285, regarding release of summary review findings; and

(5) procedures to ensure confidentiality of patient-specific information, consistent with applicable law.

(b) No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of emergency confinement or emergency treatment. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon after the beginning of the emergency confinement or emergency treatment as reasonably possible.

Sec. 26. Minnesota Statutes 1998, section 62M.09, subdivision 3, is amended to read:

Subd. 3. [PHYSICIAN REVIEWER INVOLVEMENT.] A physician must review all cases in which the utilization review organization has concluded that a determination not to certify for clinical reasons is appropriate. The physician should be reasonably available by telephone to discuss the determination with the attending physician health care professional. This subdivision does not apply to outpatient mental health or substance abuse services governed by subdivision 3a.

Sec. 27. Minnesota Statutes 1998, section 62M.10, subdivision 2, is amended to read:

Subd. 2. [REVIEWS DURING NORMAL BUSINESS HOURS.] A utilization review organization must conduct its telephone reviews, on-site reviews, and hospital communications during hospitals' and physicians' reasonable and normal business hours, unless otherwise mutually agreed.

Sec. 28. Minnesota Statutes 1998, section 62M.10, subdivision 5, is amended to read:

Subd. 5. [ORAL REQUESTS FOR INFORMATION.] Utilization review organizations shall orally inform, upon request, designated hospital personnel or the attending physician health care professional of the utilization review requirements of the specific health benefit plan and the general type of criteria used by the review agent. Utilization review organizations should also orally inform, upon request, hospitals, physicians, and other health care professionals a provider of the operational procedures in order to facilitate the review process.

Sec. 29. Minnesota Statutes 1998, section 62M.10, subdivision 7, is amended to read:

Subd. 7. [AVAILABILITY OF CRITERIA.] Upon request, a utilization review organization shall provide to an enrollee or to an attending physician or a provider the criteria used for a specific procedure to determine the necessity, appropriateness, and efficacy of that procedure and identify the database, professional treatment guideline, or other basis for the criteria.

Sec. 30. Minnesota Statutes 1998, section 62M.12, is amended to read:

62M.12 [PROHIBITION OF INAPPROPRIATE INCENTIVES.]

No individual who is performing utilization review may receive any financial incentive based on the number of denials of certifications made by such individual, provided that utilization review organizations may establish medically appropriate performance standards. This prohibition does not apply to financial incentives established between health <u>plans</u> <u>plan companies</u> and their providers.

Sec. 31. Minnesota Statutes 1998, section 62M.15, is amended to read:

62M.15 [APPLICABILITY OF OTHER CHAPTER REQUIREMENTS.]

The requirements of this chapter regarding the conduct of utilization review are in addition to any specific requirements contained in chapter 62A, 62C, 62D, 62Q, 62T, or 72A.

Sec. 32. Minnesota Statutes 1998, section 62Q.106, is amended to read:

62Q.106 [DISPUTE RESOLUTION BY COMMISSIONER.]

A complainant may at any time submit a complaint to the appropriate commissioner to investigate. After investigating a complaint, or reviewing a company's decision, the appropriate commissioner may order a remedy as authorized under section 62Q.30 or chapter 45, 60A, or 62D.

Sec. 33. Minnesota Statutes 1998, section 62Q.19, subdivision 5a, is amended to read:

Subd. 5a. [COOPERATION.] Each health plan company and essential community provider shall cooperate to facilitate the use of the essential community provider by the high risk and special needs populations. This includes cooperation on the submission and processing of claims, sharing of all pertinent records and data, including performance indicators and specific outcomes data, and the use of all dispute resolution methods as defined in section 62Q.11, subdivision 1.

Sec. 34. [62Q.68] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For purposes of sections 62Q.68 to 62Q.72, the terms defined in this section have the meanings given them. For purposes of sections 62Q.69 and 62Q.70, the term "health plan company" does not include an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section

62A.01 or a nonprofit health service plan corporation regulated under chapter 62C that only provides dental coverage or vision coverage.

<u>Subd. 2.</u> [COMPLAINT.] "Complaint" means any grievance against a health plan company that is not the subject of litigation and that has been submitted by a complainant to a health plan company regarding the provision of health services including, but not limited to, the scope of coverage for health care services; retrospective denials or limitations of payment for services; eligibility issues; denials, cancellations, or nonrenewals of coverage; administrative operations; and the quality, timeliness, and appropriateness of health care services rendered. If the complaint is from an applicant, the complaint must relate to the application. If the complaint is from a former enrollee, the complaint must relate to services received during the period of time the individual was an enrollee. Any grievance requiring a medical determination in its resolution must have the medical determination aspect of the complaint processed under the appeal procedure described in section 62M.06.

Subd. 3. [COMPLAINANT.] "Complainant" means an enrollee, applicant, or former enrollee, or anyone acting on behalf of an enrollee, applicant, or former enrollee who submits a complaint.

Sec. 35. [62Q.69] [COMPLAINT RESOLUTION.]

Subdivision 1. [ESTABLISHMENT.] Each health plan company must establish and maintain an internal complaint resolution process that meets the requirements of this section to provide for the resolution of a complaint initiated by a complainant.

<u>Subd. 2.</u> [PROCEDURES FOR FILING A COMPLAINT.] (a) A complainant may submit a complaint to a health plan company either by telephone or in writing. If a complaint is submitted orally and the resolution of the complaint, as determined by the complainant, is partially or wholly adverse to the complainant, or the oral complaint is not resolved to the satisfaction of the complainant, by the health plan company within ten days of receiving the complaint, the health plan company must inform the complainant that the complainant may be submitted in writing. The health plan company must also offer to provide the complainant with any assistance needed to submit a written complaint, including an offer to complete the complaint form for a complaint that was previously submitted orally and promptly mail the completed form to the complainant for the complainant's signature. At the complainant's request, the health plan company must include the following information:

(1) the telephone number of the office of health care consumer assistance, advocacy, and information, and the health plan company member services or other departments or persons equipped to advise complainants on complaint resolution;

(2) the address to which the form must be sent;

(3) a description of the health plan company's internal complaint procedure and the applicable time limits; and

(4) the toll-free telephone number of either the commissioner of health or commerce and notification that the complainant has the right to submit the complaint at any time to the appropriate commissioner for investigation.

(b) Upon receipt of a written complaint, the health plan company must notify the complainant within ten business days that the complaint was received, unless the complaint is resolved to the satisfaction of the complainant within the ten business days.

(c) Each health plan company must provide, in the member handbook, subscriber contract, or certification of coverage, a clear and concise description of how to submit a complaint and a statement that, upon request, assistance in submitting a written complaint is available from the health plan company.

Subd. 3. [NOTIFICATION OF COMPLAINT DECISIONS.] (a) The health plan company must notify the complainant in writing of its decision and the reasons for it as soon as practical but

in no case later than 30 days after receipt of a written complaint. If the health plan company cannot make a decision within 30 days due to circumstances outside the control of the health plan company, the health plan company may take up to 14 additional days to notify the complainant of its decision. If the health plan company takes any additional days beyond the initial 30-day period to make its decision, it must inform the complainant, in advance, of the extension and the reasons for the extension.

(b) If the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to appeal the decision to the health plan company's internal appeal process described in section 62Q.70 and the procedure for initiating an appeal.

(c) The notification must also inform the complainant of the right to submit the complaint at any time to either the commissioner of health or commerce for investigation and the toll-free telephone number of the appropriate commissioner.

Sec. 36. [62Q.70] [APPEAL OF THE COMPLAINT DECISION.]

Subdivision 1. [ESTABLISHMENT.] (a) Each health plan company shall establish an internal appeal process for reviewing a health plan company's decision regarding a complaint filed in accordance with section 62Q.69. The appeal process must meet the requirements of this section.

(b) The person or persons with authority to resolve or recommend the resolution of the internal appeal must not be solely the same person or persons who made the complaint decision under section 62Q.69.

(c) The internal appeal process must permit the receipt of testimony, correspondence, explanations, or other information from the complainant, staff persons, administrators, providers, or other persons as deemed necessary by the person or persons investigating or presiding over the appeal.

<u>Subd. 2.</u> [PROCEDURES FOR FILING AN APPEAL.] If a complainant notifies the health plan company of the complainant's desire to appeal the health plan company's decision regarding the complaint through the internal appeal process, the health plan company must provide the complainant the option for the appeal to occur either in writing or by hearing.

<u>Subd. 3.</u> [NOTIFICATION OF APPEAL DECISIONS.] (a) If a complainant appeals in writing, the health plan company must give the complainant written notice of the appeal decision and all key findings within 30 days of the health plan company's receipt of the complainant's written notice of appeal. If a complainant appeals by hearing, the health plan company must give the complainant written notice of the appeal decision and all key findings within 45 days of the health plan company's receipt of the complainant's written notice of appeal.

(b) If the appeal decision is partially or wholly adverse to the complainant, the notice must advise the complainant of the right to submit the appeal decision to the external review process described in section 62Q.73 and the procedure for initiating the external process.

(c) Upon the request of the complainant, the health plan company must provide the complainant with a complete summary of the appeal decision.

Sec. 37. [62Q.71] [NOTICE TO ENROLLEES.]

Each health plan company shall provide to enrollees a clear and concise description of its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and the procedure used for utilization review as defined under chapter 62M as part of the member handbook, subscriber contract, or certificate of coverage. If the health plan company does not issue a member handbook, the health plan company may provide the description in another written document. The description must specifically inform enrollees:

(1) how to submit a complaint to the health plan company;

(2) if the health plan includes utilization review requirements, how to notify the utilization review organization in a timely manner and how to obtain certification for health care services;

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(3) how to request an appeal either through the procedures described in sections 62Q.69 and 62Q.70 or through the procedures described in chapter 62M;

(4) of the right to file a complaint with either the commissioner of health or commerce at any time during the complaint and appeal process;

(5) the toll-free telephone number of the appropriate commissioner;

(6) the telephone number of the office of consumer assistance, advocacy, and information; and

(7) of the right to obtain an external review under section 62Q.73 and a description of when and how that right may be exercised.

Sec. 38. [62Q.72] [RECORDKEEPING; REPORTING.]

Subdivision 1. [RECORDKEEPING.] Each health plan company shall maintain records of all enrollee complaints and their resolutions. These records shall be retained for five years and shall be made available to the appropriate commissioner upon request. An insurance company licensed under chapter 60A may instead comply with section 72A.20, subdivision 30.

Subd. 2. [REPORTING.] Each health plan company shall submit to the appropriate commissioner, as part of the company's annual filing, data on the number and type of complaints that are not resolved within 30 days, or 30 business days as provided under section 72A.201, subdivision 4, clause (3), for insurance companies licensed under chapter 60A. The commissioner shall also make this information available to the public upon request.

Sec. 39. [62Q.73] [EXTERNAL REVIEW OF ADVERSE DETERMINATIONS.]

Subdivision 1. [DEFINITION.] For purposes of this section, adverse determination means:

(1) a complaint decision relating to a health care service or claim that has been appealed in accordance with section 62Q.70 and the appeal decision is partially or wholly adverse to the complainant;

(2) any initial determination not to certify that has been appealed in accordance with section 62M.06 and the appeal did not reverse the initial determination not to certify; or

(3) a decision relating to a health care service made by a health plan company licensed under chapter 60A that denies the service on the basis that the service was not medically necessary.

An adverse determination does not include complaints relating to fraudulent marketing practices or agent misrepresentation.

<u>Subd. 2.</u> [EXCEPTION.] (a) This section does not apply to governmental programs except as permitted under paragraph (b). For purposes of this subdivision, "governmental programs" means the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance medical care program, and the federal Medicare program.

(b) In the course of a recipient's appeal of a medical determination to the commissioner of human services under section 256.045, the recipient may request an expert medical opinion be arranged by the external review entity under contract to provide independent external reviews under this section. If such a request is made, the cost of the review shall be paid by the commissioner of human services. Any medical opinion obtained under this paragraph shall only be used by a state human services referee as evidence in the recipient's appeal to the commissioner of human services under section 256.045.

(c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights provided in section 256.045 for governmental program recipients.

Subd. 3. [RIGHT TO EXTERNAL REVIEW.] (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, to the commissioner of health if the request involves a health plan company regulated by that commissioner or to the commissioner of commerce if the request involves a health plan company regulated by that commissioner. The written request must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner of health or commerce in cases of financial hardship.

(b) Nothing in this section requires the commissioner of health or commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review in excess of the filing fee described in paragraph (a) shall be borne by the health plan company.

Subd. 4. [CONTRACT.] Pursuant to a request for proposal, the commissioner of administration, in consultation with the commissioners of health and commerce, shall contract with an organization or business entity to provide independent external reviews of all adverse determinations submitted for external review. The contract shall ensure that the fees for services rendered in connection with the reviews be reasonable.

Subd. 5. [CRITERIA.] (a) The request for proposal must require that the entity demonstrate:

(1) no conflicts of interest in that it is not owned, a subsidiary of, or affiliated with a health plan company or utilization review organization;

(2) an expertise in dispute resolution;

(3) an expertise in health related law;

(4) an ability to conduct reviews using a variety of alternative dispute resolution procedures depending upon the nature of the dispute;

(5) an ability to provide data to the commissioners of health and commerce on reviews conducted; and

(6) an ability to ensure confidentiality of medical records and other enrollee information.

(b) The commissioner of administration shall take into consideration, in awarding the contract according to subdivision 4, any national accreditation standards that pertain to an external review entity.

Subd. 6. [PROCESS.] (a) Upon receiving a request for an external review, the external review entity must provide immediate notice of the review to the enrollee and to the health plan company. Within ten business days of receiving notice of the review the health plan company and the enrollee must provide the external review entity with any information that they wish to be considered. Each party shall be provided an opportunity to present its version of the facts and arguments. An enrollee may be assisted or represented by a person of the enrollee's choice.

(b) As part of the external review process, any aspect of an external review involving a medical determination must be performed by a health care professional with expertise in the medical issue being reviewed.

(c) An external review shall be made as soon as practical but in no case later than 40 days after receiving the request for an external review and must promptly send written notice of the decision and the reasons for it to the enrollee, the health plan company, and to the commissioner who is responsible for regulating the health plan company.

<u>Subd.</u> 7. [STANDARDS OF REVIEW.] (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan.