

Subdivision 1. [STATE TAKEOVER OF COURT ADMINISTRATION AND RELATED COSTS.] The provisions of this article continuing the state takeover of court administration costs in the eighth judicial district are effective January 1, 2000. The other provisions of this article relating to the state takeover of court administration costs in the fifth, seventh, and ninth judicial districts are effective July 1, 2000.

Subd. 2. [JURY AND COURT REPORTER TRANSCRIPT COSTS.] The provisions of this article relating to the state takeover of miscellaneous court reporter transcript and jury costs are effective July 1, 2000.

Subd. 3. [MISCELLANEOUS COST.] The provisions of sections 1, 2, and 18 to 45, relating to the state takeover of court interpreter costs, guardian ad litem costs, rule 20 and mental commitment examination costs, and in forma pauperis costs are effective January 1, 2000, in the eighth judicial district; July 1, 2000, in the fifth, seventh, and ninth judicial districts; and July 1, 2001, in the remaining judicial districts.

Subd. 4. [EFFECTIVE DATE CONTINGENCY.] Notwithstanding subdivisions 1 to 3, sections 1 to 11, 13 to 16, and 18 to 45 do not take effect unless an appropriation and off-setting state aids and fine transfers specified in the 1999 omnibus tax bill take effect in fiscal year 2001.

Subd. 5. [BOARD OF PUBLIC DEFENSE AND SUPREME COURT PLAN.] Sections 12, 17, and 44 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the operation of state government; crime prevention and judiciary finance; appropriating money for the judicial branch, public safety, public defense, crime victims, corrections, human rights, and related purposes; establishing and expanding grant programs, task forces, and pilot projects; requiring reports and studies; increasing the number of judges; transferring, modifying, and expanding responsibility for various governmental responsibilities; providing procedures for integrated criminal justice information systems; adopting various provisions relating to corrections; expanding the categories of offenders that must provide a biological specimen for DNA testing; expanding postconviction relief for certain offenders; establishing the Rush city correctional facility; authorizing a lease-purchase agreement for a northern satellite laboratory facility and additional work related to a new facility in St. Paul for the bureau of criminal apprehension; imposing, clarifying, and expanding certain criminal and civil provisions and penalties; closing a work program for nonviolent offenders; making certain changes related to sex offenders; expanding the housing and court calendar program; creating a program to license qualified court interpreters; increasing the state's fiscal responsibility for certain persons prior to civil commitment; establishing requirements relating to out-of-home placements of juveniles; providing for state funding of certain programs and personnel; providing for state funding of court administration costs in specified judicial districts; establishing collective bargaining provisions for court employees and public defenders; extending the sunset date for a juvenile records provision; amending Minnesota Statutes 1998, sections 2.722, subdivision 1; 16B.35, by adding a subdivision; 43A.02, subdivision 25; 43A.24, subdivision 2; 119A.26; 119A.28, subdivisions 2 and 3; 119A.29, subdivision 1; 119A.31, subdivision 3; 119A.32; 119A.33; 119A.34, subdivisions 3 and 4; 168A.40, subdivision 2; 179A.03, subdivisions 7, 14, 15, and by adding a subdivision; 179A.06, subdivision 2; 179A.10, subdivision 4; 179A.12, subdivision 4; 179A.22, subdivisions 2 and 3; 241.016; 241.0221, subdivision 4; 241.275, subdivisions 1 and 2; 242.192; 243.50; 244.052, subdivisions 1, 3, 4, and by adding a subdivision; 244.18, subdivision 3; 253B.185, by adding a subdivision; 253B.23, subdivisions 1 and 8; 256.01, subdivision 2; 256.486, subdivisions 1 and 2; 257.69, subdivision 2; 260.151, subdivision 3; 260.161, subdivision 1; 260.181, by adding a subdivision; 260.185, by adding a subdivision; 260.251, subdivisions 2 and 5; 260.56; 299A.62, subdivision 1; 299A.64, subdivision 10; 299C.65, subdivisions 2, 5, and by adding subdivisions; 340A.703; 346.56; 466.01, subdivision 6; 480.181, subdivision 1; 484.013, subdivisions 1 and 2; 484.64, subdivision 3; 484.65, subdivision 3; 485.018, subdivisions 2 and 6; 485.03; 485.27; 487.10, subdivision 4; 518.165, subdivision 3; 546.13; 546.44, subdivision 3; 563.01, subdivisions 2, 9, and 10; 590.01, subdivision 1, and by adding a subdivision; 609.035, subdivisions 1, 2, and by adding a subdivision; 609.102, by adding

a subdivision; 609.3461, subdivisions 1 and 2; 611.33, subdivision 3; 611A.77; 626.843, subdivision 4; 626.845, subdivision 1; 626.8462; 626.8463, subdivision 1; and 626.8465, subdivision 2; Laws 1997, chapter 85, article 3, section 53; proposing coding for new law in Minnesota Statutes, chapters 179A; 241; 243; 260; 299A; 480; and 626; repealing Minnesota Statutes 1998, sections 119A.04, subdivision 5; 241.275, subdivision 5; 241.277; 256D.05, subdivisions 3 and 3a; 357.021, subdivision 2a; 563.01, subdivision 1; 609.113; 626.5532, subdivision 2; and 626.8463, subdivision 2."

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

Senate Conferees: (Signed) Randy C. Kelly, Allan H. Spear, Thomas M. Neuville, David L. Knutson, Jane B. Ranum

House Conferees: (Signed) Sherry Broecker, Peg Larsen, Rich Stanek

Senator Kelly, R.C. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2221 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. 2221 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	Higgins	Knutson	Neuville	Samuelson
Belanger	Hottinger	Krentz	Novak	Scheevel
Berg	Janezich	Laidig	Olson	Scheid
Berglin	Johnson, D.E.	Langseth	Ourada	Solon
Betzold	Johnson, D.H.	Larson	Pariseau	Spear
Cohen	Johnson, D.J.	Lesewski	Piper	Stevens
Day	Johnson, J.B.	Lessard	Pogemiller	Stumpf
Dille	Junge	Limmer	Price	Ten Eyck
Fischbach	Kelley, S.P.	Lourey	Ranum	Terwilliger
Flynn	Kelly, R.C.	Marty	Robertson	Vickerman
Foley	Kierlin	Metzen	Robling	Wiener
Frederickson	Kiscaden	Moe, R.D.	Runbeck	Wiger
Hanson	Kleis	Murphy	Sams	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 refuses to concur in the Senate amendments to House File No. 420:

**H.F. No. 420:** A bill for an act relating to cities; modifying the authority to establish a housing improvement area; amending Minnesota Statutes 1998, sections 428A.11, subdivision 6, and by adding subdivisions; 428A.13, subdivisions 1 and 3; 428A.14, subdivision 1; 428A.15; 428A.16; 428A.17; and 428A.19; repealing Minnesota Statutes 1998, section 428A.21.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Haas, Rest and Abrams have been appointed as such committee on the part of the House.

House File No. 420 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1999

Senator Scheid moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 420, 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 appointed on the part of the House. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1494 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 1494:** A bill for an act relating to corrections; modifying the law prohibiting inmates from bringing actions to challenge the level of expenditures for rehabilitation programs and the law related to sanctions for frivolous or malicious claims; amending Minnesota Statutes 1998, sections 244.03; and 244.035.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1831 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 1831

A bill for an act relating to crime prevention; making miscellaneous changes to certain

forfeiture provisions; amending Minnesota Statutes 1998, sections 169.1217, subdivisions 7 and 7a; and 609.5314, subdivisions 2 and 3.

May 14, 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. 1831, 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. 1831 be further amended as follows:

Page 2, line 2, delete "and" and insert ". If the sale of the vehicle is conducted in a commercially reasonable manner consistent with the provisions of section 336.9-504, clause (3), the agency"

Page 2, line 31, strike "or" and insert a comma, and after "possessory" insert ", or security"

Page 2, line 33, after the period, insert "The notification to a person known to have a security interest in the vehicle is required only if the vehicle is registered under chapter 168 and the interest is listed on the vehicle's title."

Page 3, line 29, strike "less than" and after "\$7,500" insert "or less"

Page 4, line 31, strike "or" and insert a comma

Page 4, line 32, after "possessory" insert ", or security"

Page 5, line 1, after the period, insert "The notification to a person known to have a security interest in seized property required under this paragraph applies only to motor vehicles required to be registered under chapter 168 and only if the security interest is listed on the vehicle's title."

Page 5, line 33, strike "less than" and after "\$7,500" insert "or less"

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

Senate Conferees: (Signed) Ellen R. Anderson, Thomas M. Neuville, Allan H. Spear

House Conferees: (Signed) Andy Dawkins, Rich Stanek, Steve Smith

Senator Anderson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1831 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. 1831 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

Limmer	Novak	Price	Scheid	Terwilliger
Lourey	Olson	Robertson	Solon	Vickerman
Marty	Ourada	Robling	Spear	Wiener
Metzen	Pariseau	Runbeck	Stevens	Wiger
Murphy	Piper	Sams	Stumpf	Ziegler
Neuville	Pogemiller	Scheevel	Ten Eyck	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 441 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 441

A bill for an act relating to crime prevention; modifying the criminal penalties for certain crimes to provide more uniformity; creating a pretrial diversion program for writers of dishonored checks; amending Minnesota Statutes 1998, sections 332.50, subdivision 2; 609.52, subdivision 3; 609.535, subdivision 2a; 609.631, subdivision 4; and 609.821, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 628.

May 15, 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. 441, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 441 be further amended as follows:

Page 10, line 5, before the period, insert "if the penalties relate to the offense resulting in completion of the diversion program"

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

Senate Conferees: (Signed) Allan H. Spear, Randy C. Kelly, Warren Limmer

House Conferees: (Signed) Rich Stanek, Bill Haas, Bernard L. "Bernie" Lieder

Senator Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 441 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. 441 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 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Flynn	Johnson, D.E.	Kelly, R.C.
Belanger	Day	Foley	Johnson, D.H.	Kierlin
Berg	Dille	Frederickson	Johnson, J.B.	Kleis
Betzold	Fischbach	Janezich	Kelley, S.P.	Knutson

Krentz	Marty	Pogemiller	Scheevel	Terwilliger
Laidig	Metzen	Price	Scheid	Vickerman
Langseth	Neuville	Ranum	Solon	Wiener
Larson	Novak	Robertson	Spear	Wiger
Lesewski	Olson	Robling	Stevens	Ziegler
Lessard	Pariseau	Runbeck	Stumpf	
Limmer	Piper	Sams	Ten Eyck	

Those who voted in the negative were:

Ourada

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1195 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 1195:** A bill for an act relating to landlords and tenants; providing for certain eviction records to be sealed; modifying requirements for tenant screening reports in the second and fourth judicial districts; amending Minnesota Statutes 1998, section 504.30, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 484.

Senator Kelly, R.C. moved to amend H.F. No. 1195, as amended pursuant to Rule 49, adopted by the Senate May 13, 1999, as follows:

(The text of the amended House File is identical to S.F. No. 2029.)

Page 1, line 14, delete "expunge" means remove" and insert "expungement" means the removal of"

Page 1, line 15, delete "computer and electronic"

Page 1, line 22, delete "sealing" and insert "expungement"

Page 2, line 14, after "maintained" insert "or disseminated"

The motion prevailed. So the amendment was adopted.

H.F. No. 1195 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**RECESS**

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

**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:

H.F. No. 420: Senators Scheid; Johnson, D.J. and Belanger.

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Senator Betzold introduced--**

**S.F. No. 2268:** A bill for an act relating to information technology; requiring the commissioner of administration to review programs and funding for electronic government services in order to promote public access to those services; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Veterans.

**Senator Hottinger introduced--**

**S.F. No. 2269:** A bill for an act relating to floodwaters; restricting certain drainage projects; amending Minnesota Statutes 1998, section 103E.015, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Senators Pappas, Foley, Anderson and Lourey introduced--**

**S.F. No. 2270:** A bill for an act relating to traffic regulations; requiring persons under age 12 to wear protective headgear when riding or being carried by a bicycle on a roadway, sidewalk, or bicycle path or trail; prohibiting parent or guardian from knowingly permitting a violation; amending Minnesota Statutes 1998, sections 169.222, by adding a subdivision; and 260.015, subdivision 21.

Referred to the Committee on Transportation.

**Senator Novak introduced--**

**S.F. No. 2271:** A bill for an act relating to telecommunications; establishing depreciation range system for telephone companies; amending Minnesota Statutes 1998, sections 237.075,

subdivision 6; 237.22; and 237.773, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Rules, parts 7810.7000; 7810.7100; 7810.7200; 7810.7300; 7810.7400; 7810.7500; 7810.7600; 7810.7700; 7810.7800; 7810.7900; and 7810.8000.

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

**Senators Marty, Foley, Neuville and Piper introduced--**

**S.F. No. 2272:** A bill for an act relating to tribal compacts; requiring the governor to request negotiations with tribal governments.

Referred to the Committee on Local and Metropolitan Government.

**Senators Johnson, D.J. and Kelley, S.P. introduced--**

**S.F. No. 2273:** A bill for an act relating to Internet gambling; requiring study of costs and benefits.

Referred to the Committee on Local and Metropolitan Government.

**Senator Johnson, D.J. introduced--**

**S.F. No. 2274:** A bill for an act relating to game and fish; prohibiting the use of downriggers on Lake of the Woods; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

**Senator Betzold introduced--**

**S.F. No. 2275:** A bill for an act relating to retirement; judges retirement plan; using high three-year average salary to compute benefits; increasing member and employer contribution rates; increasing benefit maximums; reducing early retirement penalties; amending Minnesota Statutes 1998, sections 490.121, subdivision 21; 490.123, subdivisions 1a and 1b; and 490.124, subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Senators Stumpf, Lessard and Pariseau introduced--**

**S.F. No. 2276:** A bill for an act relating to natural resources; providing for the designation of personal watercraft water trails; reducing the personal watercraft surcharge; amending Minnesota Statutes 1998, section 86B.415, subdivision 7a; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

**Senators Scheid, Junge and Hottinger introduced--**

**S.F. No. 2277:** A bill for an act relating to elections; increasing disclosure of campaign contributions to certain legislative candidates; encouraging candidates for the legislature to accept only clean money for their political campaigns; limiting contributions and expenditures in certain legislative campaigns; increasing public subsidies for legislative candidates who agree to limit the sources and amounts of contributions to their campaigns; eliminating the income tax checkoff and political contribution refund programs for legislative candidates; appropriating money; amending Minnesota Statutes 1998, sections 10A.01, by adding a subdivision; 10A.20, subdivision 3; 10A.27, subdivision 10; 10A.31, subdivisions 5, 6, and 7; 10A.322; 10A.323; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.



Referred to the Committee on Election Laws.

**Senators Hottinger and Scheid introduced--**

**S.F. No. 2278:** A bill for an act relating to elections; providing for clean money in certain state elections; increasing disclosure of campaign contributions to candidates; encouraging candidates to accept only clean money for their political campaigns; limiting campaign contributions and expenditures; increasing public subsidies for state candidates who agree to limit the sources and amounts of contributions to their campaigns; imposing criminal penalties; amending Minnesota Statutes 1998, sections 10A.01, subdivisions 10, 10b, and by adding a subdivision; 10A.10; 10A.14, subdivisions 1 and 2; 10A.20, subdivisions 1, 2, 3, 6b, and by adding subdivisions; 10A.25, subdivisions 2 and 2a; 10A.27, subdivisions 1, 2, 9, 10, 11, 12, and by adding a subdivision; 10A.31, subdivisions 1, 2, 3, and 4; 10A.315; 10A.322, subdivisions 1, 2, and 4; 10A.323; 200.02, by adding a subdivision; 204B.11; 211B.15, subdivision 16; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; and 211B; repealing Minnesota Statutes 1998, sections 10A.25, subdivisions 5 and 6; 10A.31, subdivisions 3a, 5, 6, 7, 10, 11, and 12; 10A.321; and 10A.322, subdivision 3.

Referred to the Committee on Election Laws.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Senator Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 2333 at 12:30 p.m. for various portions of today's session:

Senators Pogemiller, Scheid, Scheevel and Robertson. The motion prevailed.

**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 adopted the recommendation and report of the Conference Committee on House File No. 2380, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2380 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1999

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 2380**

A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; modifying certain conditions for the Minnesota state colleges and universities; clarifying requirements for student conduct policy; modifying programs that promote college affordability; modifying provisions relating to regent selection and recruitment; authorizing board of regents to establish a branch campus in Rochester; clarifying and changing requirements for private career schools; providing for rulemaking; amending Minnesota Statutes

1998, sections 16B.465, subdivision 4; 135A.155; 136A.031, subdivision 3; 136A.121, subdivisions 5 and 6; 136A.125, subdivision 4; 136F.02, subdivision 2; 136F.04, subdivision 1; 136F.22, subdivision 1; 136F.32, subdivision 2, and by adding a subdivision; 137.0245, subdivision 4; 141.21, subdivisions 3, 5, 6, and by adding subdivisions; 141.22; 141.25, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; 141.26, subdivision 2; 141.271, subdivisions 1, 2, 3, 4, 5, 6, and 12; 141.28, subdivisions 3 and 5; 141.29, subdivision 1; 141.31; 141.32; 141.35; and 471.59, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 137; and 141; repealing Minnesota Statutes 1998, sections 136A.1359; 136A.136; 141.25, subdivisions 9a, 9b, and 11; and 141.36.

May 14, 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. 2380, 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. 2380 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "2000" or "2001" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 2000, or June 30, 2001, respectively. "The first year" is fiscal year 2000. "The second year" is fiscal year 2001. "The biennium" is fiscal years 2000 and 2001.

SUMMARY BY FUND

	2000	2001	TOTAL
General	\$1,277,440,000	\$1,338,000,000	\$2,615,440,000
Health Care Access	2,937,000	2,937,000	5,874,000
Lottery Prize Fund	250,000	-0-	250,000

SUMMARY BY AGENCY - ALL FUNDS

	2000	2001	TOTAL
Higher Education Services Office	149,926,000	160,527,000	310,453,000
Board of Trustees of the Minnesota State Colleges and Universities	543,597,000	572,394,000	1,115,991,000
Board of Regents of the University of Minnesota	585,558,000	606,379,000	1,191,937,000

Mayo Medical Foundation

1,546,000                      1,637,000                      3,183,000

APPROPRIATIONS

Available for the Year

Ending June 30

2000                                      2001

Sec. 2. HIGHER EDUCATION  
SERVICES OFFICE

Subdivision 1. Total  
Appropriation

149,926,000                      160,527,000

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

Subd. 2. State Grants

117,907,000                      128,367,000

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

The legislature intends that the higher education services office make full grant awards in each year of the biennium.

For the biennium, the private institution tuition maximum shall be \$8,300 in the first year and \$8,550 in the second year for four-year institutions and \$6,390 in the first year and \$6,580 in the second year for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at \$5,075 in the first year and \$5,185 in the second year.

This appropriation contains money to match scholarship grants made under the National Service Scholars program of the Corporation for National Service to students attending Minnesota high schools and who will attend a Minnesota post-secondary institution. Not more than one matching grant of \$500 may be made for each high school per year.

Subd. 3. Interstate Tuition  
Reciprocity

4,500,000                                      4,500,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 4. State Work Study

12,444,000

12,444,000

To assist the legislature in future policy and appropriation decisions, the office shall collect information from all participating institutions on the use of child care and work study allocations. For each program, the data shall include at least the number of recipients, the hours for which they receive state money, payment per hour, location of service, unmet demand, returned and additional allocations, and any institutional/system policies that affect recipients. The office shall provide this information to the higher education finance committees by January 15, 2000.

Subd. 5. Minitex Library Program

4,948,000

4,968,000

This appropriation is for Minitex and MnLINK operations, the Minnesota Library Access Center, licensing for online table of contents, and licensing for online journals including online databases for MnLINK.

Subd. 6. Learning Network of Minnesota

5,178,000

5,179,000

Subd. 7. Income Contingent Loans

The higher education services office shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the office for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995. The higher education services office shall work with the office of the senior vice-president for health sciences at the University of Minnesota to determine the borrowing and repayment problems of students in the academic health center. The higher education services office shall report any findings and recommendations to the higher education finance committees by February 1, 2000.

Subd. 8. Edvest

1,520,000

1,520,000

Notwithstanding Minnesota Statutes, section

16C.05, subdivision 2, the higher education services office may, on a one-time basis, enter into a contract up to eight years with a third party vendor for purposes of starting the Edvest program authorized in Minnesota Statutes, section 136A.241.

Subd. 9. Agency Administration

3,429,000	3,549,000
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This appropriation includes money for the Minnesota Minority Education Partnership. This appropriation includes funding to foster post-secondary attendance by providing outreach services to historically underserved groups of Minnesota elementary and secondary students. The office may retain the entire appropriation or contract with other agencies or nonprofit organizations for specific services in this effort.

Notwithstanding Laws 1994, chapter 643, section 69, subdivision 2, the library planning task force shall expire on June 30, 2001.

Subd. 10. Balances Forward

An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 11. Transfers

The higher education services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care appropriation, and the state work study appropriation.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total

Appropriation	543,597,000	572,394,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Estimated Expenditures and Appropriations

The legislature estimates that instructional expenditures will be \$678,729,000 in the first year and \$713,533,000 in the second year.

The legislature estimates that noninstructional expenditures will be \$65,093,000 in the first year and \$66,723,000 in the second year.

The legislature intends that state appropriations be used to strengthen and support education of students. To this end, all money appropriated in

this section, except that in direct support of system office activities, shall be allocated by the board directly to the colleges and universities.

During the biennium, neither the board nor campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

This appropriation includes an increase of \$5,000,000 in each year for customized training and leveraged equipment purchases.

This appropriation includes money for repair and replacement of state-financed facilities, a degree audit reporting system, technology infrastructure, Y2K, virtual university, and ISEEK.

This appropriation includes \$5,000,000 per year for grants to historically underfunded institutions demonstrating financial distress. Grants must not exceed \$500,000. The money must be spent in support of instructional programs or student services. By December 31 of each year, the system shall report to the chairs of the higher education finance committees on the distribution of the grants.

This appropriation includes money to increase access to the farm and small business management programs by expanding the capacity of the programs and providing additional tuition subsidies.

This appropriation includes money for the Center for Research and Innovation at Bemidji State University.

This appropriation includes money for start-up funding for a rural research center at Southwest State University.

This appropriation includes money for the agriculture program at the Staples campus of the Central Lakes college.

Metropolitan State University may retain any money saved from a reduction in lease costs at the 730 Hennepin Avenue South site.

During the biennium, technical and consolidated colleges shall make use of instructional advisory committees consisting of employers, students, and instructors. The instructional advisory committee shall be consulted when a technical program is proposed to be created, modified, or eliminated. If a decision is made to eliminate a program, a college shall adequately notify

students and make plans to assist students affected by the closure.

The system shall prepare a budget plan for the system office. The plan shall include budgeted expenditures for each major division or program of the system office. The plan also shall include a review of the current functions, services, and programs managed or provided by the system office. The review shall describe the purpose of these activities and their cost; analyze whether they are necessary and how they benefit the colleges and universities; and identify unnecessary duplication of programs and services provided at the system and institutional levels. The board shall report to the higher education finance committees by February 15, 2000, on its findings and articulate an organizational plan for the system office.

In each year, the board of trustees shall increase the percentage of the total general fund expenditures for direct instruction and academic support, as reported in the federal Integrated Postsecondary Education Data System (IPEDS). By February 15 of 2000 and 2001, the board of trustees shall report to the higher education finance committees the percentage of total general fund expenditures spent on direct instruction and on academic support during the previous fiscal year by institution and for the system as a whole.

Before commencing any new program not specifically authorized by law for teachers of color and urban teachers, the board shall evaluate existing programs and determine whether to expand or modify an existing program or create a new program.

The board may waive tuition for eligible Southwest Asia veterans, as provided in Minnesota Statutes, section 136F.28.

Notwithstanding Minnesota Statutes, section 136F.71, subdivision 1, a state college shall retain revenues in excess of costs for delivering customized training programs. The excess revenues shall be used for expanding and developing customized training programs.

Subd. 3. Health Care and Human Services Tuition Waiver

100,000

100,000

This appropriation is from the health care access fund for the board of trustees to provide tuition waivers to employees of health care or human

services providers located in this state that are members of qualifying consortia operating under sections to be codified as Minnesota Statutes, sections 116L.10 to 116L.15, as provided in article 11, sections 3 to 8 of S.F. No. 2225, the second engrossment, if enacted. The legislature intends that future funding for this program not come from higher education appropriations.

Subd. 4. Itasca Community College

The board of trustees of the Minnesota state colleges and universities is authorized to construct the following facilities at Itasca community college: (1) a two-classroom addition to be located between the college center building and Davies Hall. The project shall be paid for from lease revenue supplied from nonstate sources; and (2) an addition to the existing child care center. The project shall be paid for from the appropriation in Laws 1997, chapter 183, article 1, section 3, subdivision 3, for pilot infant child care programs and from matching money from nonstate sources.

Subd. 5. Winona State University Land

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the board of trustees may sell a parcel of Winona State University land for no less than its appraised value in a private sale to resolve conflicting property boundaries. Money from the sale is appropriated to the board to be allocated to Winona State University.

Subd. 6. Pine Technical College

The board may accept federal money for and is authorized to construct an advanced technology center building at Pine technical college. The construction of the technology center is contingent upon the receipt of the federal money.

Sec. 4. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

	585,558,000	606,379,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance

	513,279,000	533,870,000
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Estimated Expenditures and Appropriations

The legislature estimates that instructional expenditures will be \$461,521,000 in the first year and \$484,679,000 in the second year.



The legislature estimates that noninstructional expenditures will be \$202,367,000 in the first year and \$201,717,000 in the second year.

By January 30, 2000, the University shall submit to the governor and the legislature a master academic plan for the Rochester region that clearly defines the academic needs of the region, short and long-term plans to address those needs including the designation of responsibility among the partner institutions, short and long-term demographic and enrollment projections, physical plant capacity and needs, and a delineation of missions among the partner institutions to avoid competition and duplication.

Notwithstanding Minnesota Statutes 1998, section 137.022, subdivision 4, in fiscal year 2001 the first \$200,000 of permanent university fund income from royalties for mining under state mineral leases designated for the natural resources research institute shall be allocated by the board of regents to the department of landscape architecture to develop a long-range plan for the reclamation of taconite mining lands. The board shall allocate the money only if an equal or greater amount of matching money from nonstate sources has been pledged to support the project by June 30, 2000.

The University of Minnesota academic health center, after consultation with the health care community and medical education and research costs advisory committee, shall report by January 15, 2000, to the higher education finance committees on the strategic direction of its health professional programs. The plans shall include a programmatic and financial model for health professional education that will meet the state's future workforce needs, maintain the integrity of the education process, provide an appropriate level of ongoing financial support, and provide a framework for the health community and academic health center to work together in meeting the health needs of the state. The academic health center is requested to provide the report also to the commissioner of health and the legislative commission on health care access.

#### Subd. 3. Health Care Access Fund

\$2,837,000 each year is appropriated from the health care access fund for primary care education initiatives, which is a one-time increase of \$300,000 each year over the base funding.

Subd. 4. Compulsive Gambling Research Funding

\$250,000 from the lottery prize fund shall be appropriated on a one-time basis to the board of regents of the University of Minnesota for the academic health center to conduct research, clinical work, treatment, or teaching related to compulsive gambling addiction.

Subd. 5. Special  
Appropriation

72,279,000

72,509,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 2001 biennial budget document.

(a) Agriculture and Extension Service

57,588,000

57,588,000

This appropriation is for the Agricultural Experiment Station, Minnesota Extension Service, regional sustainable agriculture partnerships, initiatives designed to sustain Minnesota's renewable natural resource-based industries, and for a rapid agricultural response fund to conduct research to solve problems affecting agricultural products including, but not limited to spring wheat, barley, potatoes, grapes and wine, canola, and turkeys.

Any salary increases granted by the University to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county responsibility for the salary payments.

During the biennium, the University shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences

5,789,000

5,846,000

This appropriation is for rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

(c) Institute of Technology

1,600,000

1,645,000

This appropriation is for the Geological Survey and the Talented Youth Mathematics Program.

(d) System Specials

7,302,000

7,430,000

This appropriation is for general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation

1,546,000

1,637,000

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

Subd. 2. Medical School

554,000

605,000

The state of Minnesota shall pay a capitation of \$13,200 in the first year and \$14,405 in the second year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

601,000

625,000

The state of Minnesota provides a capitation of \$21,455 in the first year and \$22,315 in the second year for each student. The rural training program capitation is \$42,910 the first year and \$44,630 the second year for one resident.

Subd. 4. St. Cloud Hospital-Mayo Family Practice Residency Program

391,000

407,000

This appropriation is to the Mayo foundation to support 12 resident physicians each year in the St. Cloud Hospital-Mayo Family Practice Residency program. The program shall prepare doctors to practice primary care medicine in the rural areas of the state. It is intended that this program will improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

## RELATED PROVISIONS

Section 1. Minnesota Statutes 1998, section 16B.465, subdivision 4, is amended to read:

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation of state agencies, and the state board of education, ~~and the board of trustees of the Minnesota state colleges and universities~~ and may request the participation of the board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) A direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.

Sec. 2. Minnesota Statutes 1998, section 135A.14, is amended by adding a subdivision to read:

Subd. 6. [HEPATITIS INFORMATION.] All public and private post-secondary education institutions shall provide information regarding the transmission, treatment, and prevention of hepatitis A, B, and C, to all persons who are first-time enrollees. The department of health shall be consulted regarding the preparation of these materials.

Sec. 3. Minnesota Statutes 1998, section 135A.155, is amended to read:

135A.155 [HAZING POLICY.]

The board of trustees of the Minnesota state colleges and universities shall, and the University of Minnesota is requested to, adopt a clear, understandable written policy on student conduct, including hazing. The policy must include procedures for reporting incidents of inappropriate hazing and for disciplinary actions against individual violators and organizations. ~~The policy must be provided to students when they register and must be~~ shall be made available to students by appropriate means as determined by each institution, which may include publication in a student handbook or other institutional publication, or posting by electronic display on the Internet, and shall be posted at appropriate locations on campus. A private post-secondary institution that is an eligible institution as defined in section 136A.101, subdivision 4, must adopt a policy that meets the requirements of this section.

Sec. 4. Minnesota Statutes 1998, section 136A.031, subdivision 3, is amended to read:

Subd. 3. [STUDENT ADVISORY COUNCIL.] A student advisory council (SAC) to the higher education services council is established. The members of SAC shall include: the chair of the University of Minnesota student senate; the state chair of the Minnesota state university student association, ~~the president of the Minnesota community college student association, the president of the Minnesota technical college student association;~~ the president of the Minnesota state college student association and an officer of the Minnesota state college student association, one in a community college course of study and one in a technical college course of study; the president of the Minnesota association of private college students; and a student who is enrolled in a private vocational school, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

The higher education services council shall inform the SAC of all matters related to student issues under consideration and shall refer all proposals to the SAC before taking action or sending the proposals to the governor or legislature. The SAC shall report to the higher education services council quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the council within 30 days after the director's request for a meeting.

The SAC shall:

- (1) bring to the attention of the higher education services council any matter that the SAC believes needs the attention of the council;
- (2) make recommendations to the higher education services council as it finds appropriate;
- (3) appoint student members to the higher education services council advisory groups as provided in subdivision 4; and
- (4) provide any reasonable assistance to the council.

Sec. 5. Minnesota Statutes 1998, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANT STIPENDS.] The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

- (1) the assigned student responsibility of at least 47 46 percent of the cost of attending the institution of the applicant's choosing;
- (2) the assigned family responsibility as defined in section 136A.101; and
- (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$300 \$100 per academic year.

Sec. 6. [136A.1211] [USE OF STATE GRANT SAVINGS.]

Savings in the state grant program resulting from an increase in the maximum federal Pell grant from the anticipated level of \$3,125 shall be used by the office to increase the living and miscellaneous expense allowance.

Sec. 7. Minnesota Statutes 1998, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse, if any;
- (2) the number in the applicant's family, as defined by the office; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be \$2,000 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 8. Minnesota Statutes 1998, section 136A.243, subdivision 7, is amended to read:

Subd. 7. [MARKETING.] The director shall make parents and other interested individuals aware of the availability and advantages of the program as a way to save for higher education costs. The cost of these promotional efforts ~~must be paid entirely from state general fund appropriations and~~ may not be funded with fees imposed on participants.

Sec. 9. Minnesota Statutes 1998, section 136A.244, subdivision 2, is amended to read:

Subd. 2. [PERMITTED INVESTMENTS.] The board may invest the accounts in any permitted

investment under section 11A.24, except that the accounts may be invested without limit in investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64.

Sec. 10. Minnesota Statutes 1998, section 136A.245, subdivision 6, is amended to read:

Subd. 6. [PRIVATE CONTRIBUTIONS.] (a) The office may solicit and accept contributions from private corporations, other businesses, foundations, employers, or individuals to provide:

- (1) matching grants under this section in addition to those funded with direct appropriations; ~~or~~
- (2) grants to students who withdraw money from accounts established under the program; or
- (3) contributions to an account on behalf of a beneficiary.

(b) Amounts contributed may only be used for those purposes. Amounts contributed are appropriated to the director ~~to make grants for the purposes of this subdivision.~~

(c) Contributors may designate a specific field of study, geographic area, or other criteria that govern use of the grants funded with their contributions, but may not discriminate on the basis of race, ethnicity, or gender. The office may refuse contributions that are subject, in the judgment of the director, to unacceptable conditions on their use.

Sec. 11. Minnesota Statutes 1998, section 136F.02, subdivision 2, is amended to read:

Subd. 2. [TERM; COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of each of the student members is two years. Terms end on June 30, except that members may serve until their successors are appointed.

Sec. 12. Minnesota Statutes 1998, section 136F.04, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY.] Notwithstanding section 136F.03, the ~~statewide community college student association, state university student association, and technical the state college student association~~ shall each have the responsibility for recruiting, screening, and recommending qualified candidates for ~~its~~ their student ~~member~~ members of the board.

Sec. 13. Minnesota Statutes 1998, section 136F.22, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE.] The board shall recognize one statewide student association for the ~~community colleges, one for the state universities, and one for the~~ community and technical colleges. Each campus student association shall be affiliated with its statewide student association and all students enrolled on those campuses shall be members of their respective statewide association.

Sec. 14. Minnesota Statutes 1998, section 136F.32, subdivision 2, is amended to read:

Subd. 2. [TECHNICAL AND CONSOLIDATED TECHNICAL COLLEGES.] (a) A technical college or consolidated technical community college shall offer students the option of pursuing diplomas and certificates in each technical education program, unless the board determines that ~~this is not practicable for certain programs a degree is the only acceptable credential for career entry in a specific field.~~ All vocational and technical credits earned for a diploma or certificate shall be applicable toward any available degree in the same program.

(b) Certificates and diplomas are credentials that demonstrate competence in a vocational or technical area and, therefore, may include a general education component only as part of an articulation agreement or to meet occupational requirements as established by the trade or profession, or by the program advisory committee. Students shall be provided with applied training in general studies as necessary for competence in the program area. Students who have earned a certificate or diploma may earn a degree in the same field if they complete the general education and other degree requirements.

Sec. 15. Minnesota Statutes 1998, section 136F.32, is amended by adding a subdivision to read:

Subd. 3. [ASSESSMENT.] To reduce barriers to enrollment and to train a skilled workforce, students may be assessed for skills necessary for competency in a technical or vocational field as part of their program. The results of standardized assessment tests shall not prohibit enrollment in a student's certificate or diploma program.

Sec. 16. [137.17] [ROCHESTER BRANCH.]

Subdivision 1. [ESTABLISH.] The board of regents may establish a school of professional and graduate studies as a nonresidential branch campus of the University of Minnesota, Rochester, to serve the needs of working adults and other nontraditional students in southeastern Minnesota. The campus shall be a joint partnership of the University of Minnesota with Rochester community and technical college, and Winona state university.

The board of trustees of the Minnesota state colleges and universities shall cooperate to achieve the foregoing.

Subd. 2. [LEADERSHIP.] The legislature intends that the Rochester branch strengthen the existing partnership of institutions in Rochester by providing better coordination and leadership in serving the needs of the region, while maintaining a cooperative basis among the institutions. The University of Minnesota is expected to take the leadership role in assessing community needs and facilitating the delivery of upper division and graduate academic programming and student services by existing higher education providers. It is the intent of the legislature that this branch not diminish the role or function of existing higher education institutions in Rochester or elsewhere in the region in which the state already has a significant investment.

Subd. 3. [MISSIONS.] The legislature recognizes that the distinctiveness of each of the partner institutions in Rochester must be maintained to achieve success in serving the higher education needs of the community and the economic goals of the state. Further, the legislature intends that the University of Minnesota and the other partner institutions avoid duplicative offerings of courses and programs. Therefore, the University of Minnesota, Winona state university, and Rochester community and technical college shall develop jointly a statement of missions, roles, and responsibilities for the programs and services at Rochester which shall be submitted to the legislature by January 30, 2000, and any time thereafter that the missions, roles, and responsibilities change.

Subd. 4. [CHANGES.] Major changes in the missions, programs, services or roles of the partner institutions shall be made in full consultation with the partner institutions and the systems.

Sec. 17. Minnesota Statutes 1998, section 471.59, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT.] Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units. The term "governmental unit" as used in this section includes every city, county, town, school district, other political subdivision of this or another state, another state, the University of Minnesota, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy making and appropriating authority.

Sec. 18. Minnesota Statutes 1998, section 583.22, subdivision 5, is amended to read:

Subd. 5. [DIRECTOR.] "Director" means the director of the conflict and change center at the University of Minnesota's Humphrey Institute Minnesota extension service or the director's designee.

Sec. 19. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292,

section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; Laws 1993, First Special Session chapter 2, article 6, section 2; Laws 1995, chapter 212, article 2, section 11; Laws 1997, chapter 183, article 3, section 29; Laws 1998, chapter 395, section 7; and Laws 1998, chapter 402, section 6, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, 1999 2001.

Sec. 20. [METRO PLAN AND SPACE UTILIZATION REPORT.]

By September 30, 1999, the board of trustees of the Minnesota state colleges and universities shall submit to the legislature the master academic plan for the metropolitan area as required under Laws 1996, chapter 395, section 3, paragraph (e), and a systemwide space utilization report.

Sec. 21. [LEARNING NETWORK II.]

The Minnesota education telecommunications council, in conjunction with the higher education advisory council, shall develop a plan for the governance, financing, and implementation of the learning network II. The councils shall report on the plan to the legislature by January 15, 2000.

Sec. 22. [CHILD CARE STUDY.]

The commissioners of human services and children, families, and learning shall review child care program requirements for Minnesota family investment program participants, to determine how to better serve those participants who are approved for a work plan, but are attending school part time without child care eligibility. As soon as practicable, the commissioners shall implement adjustments to program requirements that they deem appropriate. The commissioners shall report on adjustments implemented, if any, and their recommendations for necessary statutory changes to the appropriate committees of the legislature by February 1, 2000.

Sec. 23. [SHORT-TERM HEALTH CARE CURRICULA.]

By July 1, 2000, the board of trustees of the Minnesota state colleges and universities, in consultation with relevant industries, shall develop a short-term, competency-based, standardized curricula in health care patient services and community support services for persons with long-term care needs. The standardized curricula must provide knowledge that is applicable to persons employed in a wide range of health care settings and human services settings, including home health care assistants, personal care assistants, and certified nursing assistants. By July 1, 2000, the board shall offer certificates and two-year associate degrees that articulate into four-year educational programs in health care services and in human services. The board shall report to the legislature by February 15, 2000, on its progress on implementing this section.

Sec. 24. [REPEALER.]

Minnesota Statutes 1998, sections 136A.1359; and 136A.136, are repealed June 30, 1999.

Sec. 25. [EFFECTIVE DATE.]

(a) Section 1 is effective July 1, 2000.

(b) The change in the student share of the cost of attendance under section 5 is effective July 1, 2000.

(c) Section 19 is effective the day following final enactment.

### ARTICLE 3

#### PRIVATE CAREER SCHOOLS

Section 1. [141.20] [CITATION.]



Sections 141.20 to 141.35 may be cited as the Private Career School Act.

Sec. 2. Minnesota Statutes 1998, section 141.21, subdivision 3, is amended to read:

Subd. 3. [SOLICITOR.] "Solicitor" means a person who for a salary or for commission, acts as an agent, independent contractor, salesperson, or counselor in ~~procuring or attempting to procure recruiting students or enrollees for a course of instruction by solicitation in program using any form-made method,~~ at any place except on the actual business premises of the school ~~and except for rendering,~~ other than only providing public information service at the invitation or permission of a school or educational organization.

Sec. 3. Minnesota Statutes 1998, section 141.21, subdivision 5, is amended to read:

Subd. 5. [SCHOOL.] "School" means any person, within or ~~without~~ outside the state, that who maintains, advertises, solicits, or conducts any ~~course of instruction program~~ for profit ~~or for a tuition charge~~ at any level other than baccalaureate or graduate programs, and which is not specifically exempted by the ~~provisions of sections 141.21 to 141.36~~ 141.35.

Sec. 4. Minnesota Statutes 1998, section 141.21, subdivision 6, is amended to read:

Subd. 6. [COURSE OF INSTRUCTION.] "Course of instruction" means any classroom, correspondence, or ~~extension course of~~ or distance instruction; any subunit of a program; or any combination thereof.

Sec. 5. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 8. [PROGRAM.] "Program" means any course or grouping of courses that is advertised or listed in a school's catalog, brochures, electronic display, or other publications, or for which the school grants a formal recognition.

Sec. 6. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 9. [DISTANCE EDUCATION SCHOOL.] "Distance education school" means a school that establishes, keeps, or maintains a facility or location where a program is offered through distance instruction.

Sec. 7. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 10. [DISTANCE INSTRUCTION.] "Distance instruction" means any method of instruction outside the traditional in-classroom instruction, including, but not limited to, the use of the United States mail and other correspondence; Internet and other online computer-based education; or CD-ROM self-instruction.

Sec. 8. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 11. [ELECTRONIC DISPLAY.] "Electronic display" means text, images, or sound rendered via any electronic device designed to present information, whether generated by the device or transmitted from another source.

Sec. 9. Minnesota Statutes 1998, section 141.25, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED.] ~~No~~ A school ~~shall~~ must not maintain, advertise, solicit for, or conduct any ~~course of instruction program~~ in Minnesota without first obtaining a license from the office.

Sec. 10. Minnesota Statutes 1998, section 141.25, subdivision 2, is amended to read:

Subd. 2. [CONTRACT UNENFORCEABLE.] ~~Any~~ A contract entered into with any a person for a ~~course of instruction after November 15, 1969,~~ program by or on behalf of any a person operating any a school to which a license has not been issued ~~pursuant to~~ under sections ~~141.21 to 141.36~~ 141.35, shall be is unenforceable in any action brought thereon.

Sec. 11. Minnesota Statutes 1998, section 141.25, subdivision 3, is amended to read:

Subd. 3. [APPLICATION.] Application for a license shall be on forms prepared and furnished by the office, and shall ~~contain~~ include the following and ~~such~~ other information as the office may require:

(a) (1) the title or name of the school, ~~together with~~ ownership and controlling officers, members, managing employees, and director;

(b) (2) the specific ~~fields of instruction~~ programs which will be offered and the specific purposes of ~~such~~ the instruction;

(c) (3) the place or places where ~~such~~ the instruction will be given;

(d) (4) a listing of the equipment available for instruction in each ~~course of instruction~~ program;

(e) (5) the maximum enrollment to be accommodated with equipment available in each specified ~~course of instruction~~ program;

(f) (6) the qualifications of instructors and supervisors in each specified ~~course of instruction~~ program;

(g) (7) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;

(h) (8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by ~~such~~ the school;

(i) (9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota; and

(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges, unless the school files with the office a surety bond equal to at least \$50,000 as described in subdivision 5.

Sec. 12. Minnesota Statutes 1998, section 141.25, subdivision 5, is amended to read:

Subd. 5. [BOND.] (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any ~~course of instruction~~ program, unless the applicant files with the office a continuous corporate surety bond ~~in the sum of \$10,000~~ written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. ~~Such~~

(b) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$50,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$50,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum ~~of \$10,000~~ deposited by the school under paragraph (b). The surety of any ~~such~~ bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the state treasurer the a sum of \$10,000 equal to the amount of the required surety bond in cash, or securities such as may be legally purchased by savings banks or for trust funds in an aggregate market value of \$10,000 equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 13. Minnesota Statutes 1998, section 141.25, subdivision 6, is amended to read:

Subd. 6. [RESIDENT AGENT.] Schools ~~domiciled~~ located outside the state of Minnesota which that offer, advertise, solicit for, or conduct any ~~course of instruction~~ program within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. ~~Such~~ The statement shall designate the secretary of state as resident agent for service of process in the absence of ~~an a~~ a designated agent ~~otherwise so designated. In the event~~ If a school fails to file ~~such the~~ statement, the secretary of state is ~~hereby~~ designated as the resident agent authorized to receive service of process. ~~Such~~ The authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

Sec. 14. Minnesota Statutes 1998, section 141.25, subdivision 7, is amended to read:

Subd. 7. [MINIMUM STANDARDS.] ~~No~~ A license shall be issued ~~unless if~~ the office first determines:

~~(a)~~ (1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the school's financial obligations; ~~to~~

(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body; ~~to~~

(iii) provide adequate service to its students and prospective students; ~~and for the proper use~~

(iv) maintain and support of the school ~~to be maintained~~;

~~(b)~~ (2) that the applicant has satisfactory ~~training~~ facilities with sufficient tools and equipment and the necessary number of work stations to ~~train~~ prepare adequately the students currently enrolled, and those proposed to be enrolled;

~~(c)~~ (3) that the applicant employs a sufficient number of qualified ~~instructors trained by~~ teaching personnel to ~~give~~ provide the ~~training~~ educational programs contemplated;

~~(d)~~ (4) that the school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

~~(e)~~ (6) that the quality and content of each occupational course or program of instruction or study shall be of such quality and content as to provide provides education and training which will ~~adequately prepare~~ adequate preparation to enrolled students for entry level positions in the occupation for which ~~trained~~ prepared;

~~(f)~~ (7) that the living quarters which are owned, maintained, or approved by the applicant for students are sanitary and safe;

~~(g)~~ (8) that the contract or enrollment agreement used by the school complies with the following provisions: in section 141.265;

- (1) ~~the name and address of the school must be clearly stated;~~
- (2) ~~inclusion of a clear and conspicuous disclosure that such agreement becomes a legally binding instrument upon written acceptance of the student by the school unless canceled pursuant to section 141.271;~~
- (3) ~~must contain the school's cancellation and refund policy which shall be clearly and conspicuously entitled, "Buyer's Right to Cancel";~~
- (4) ~~the total cost of the course including tuition and all other charges shall be clearly stated;~~
- (5) ~~the name and description of the course, including the number of hours or credits of classroom instruction and/or home study lessons shall be included;~~
- (6) ~~no contract or agreement shall~~ (9) that contracts and agreements do not contain a wage assignment provision and/or or a confession of judgment clause; and
- (7) ~~each contract or enrollment agreement shall contain a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered; and~~
- (h) (10) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the school or its owner, officers, agents, or sponsoring organization.

Sec. 15. Minnesota Statutes 1998, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] ~~(a) Applications~~ An application for an initial license under sections 141.21 to 141.36 141.35 shall be accompanied by a nonrefundable application fee established by the office that is sufficient to recover, but not exceed, its administrative costs.

~~(b) All licenses shall expire one year from the date issued by the office, except as provided in section 141.251. Each renewal application shall be accompanied by a nonrefundable renewal fee established by the office that is sufficient to recover, but does not exceed, its administrative costs.~~

~~(c) Application for renewal of license shall be made at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the office. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the office.~~

Sec. 16. Minnesota Statutes 1998, section 141.25, subdivision 9, is amended to read:

Subd. 9. [CATALOG OR, BROCHURE, OR ELECTRONIC DISPLAY.] ~~Before a license is issued to a school, other than one which offers exclusively a correspondence course of instruction, the school shall furnish to the office a catalog or, brochure containing the following, or electronic display including:~~

- (1) identifying data, such as volume number and date of publication;
- (2) name and address of the school and its governing body and officials;
- (3) a calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;
- (4) the school policy and regulations on enrollment including dates and specific entrance requirements for each course program;
- (5) the school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) the school policy and regulations about standards of progress for the student including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) the school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;

(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) the school policy and regulations, including an explanation of section 141.271, about refunding tuition, fees, and other charges if the student does not enter the course program, withdraws from the program, or the program is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit; and

(12) the school policy and regulations about granting credit for previous education and ~~training~~ preparation;

(13) a procedure for investigating and resolving student complaints; and

(14) the name and address of the Minnesota higher education services office.

A school that is exclusively a distance education school is exempt from clauses (3) and (5).

Sec. 17. Minnesota Statutes 1998, section 141.25, subdivision 10, is amended to read:

Subd. 10. [PLACEMENT RECORDS.] (a) Before a license is issued to a school that offers, advertises or implies a placement service, the school shall file with the office for the past year and thereafter at reasonable intervals determined by the office, a certified copy of the school's placement record, containing a list of graduates, a description of their ~~job jobs~~, ~~name~~ names of their ~~employer~~ employers, and other information as the office may prescribe.

(b) Each school that offers a placement service shall furnish to each prospective student, prior to enrollment, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which ~~trained~~ prepared or in related employment.

Sec. 18. Minnesota Statutes 1998, section 141.25, subdivision 12, is amended to read:

Subd. 12. [PERMANENT RECORDS.] ~~Before a license is issued to a school, each~~ A school licensed under this chapter and located in Minnesota shall maintain a permanent records record for all students enrolled at any time each student for 50 years from the last date of the student's attendance. Each A school licensed under this chapter and offering a correspondence course of instruction distance instruction to a student located in Minnesota shall maintain a permanent records record for each Minnesota students-enrolled at any time student for 50 years from the last date of the student's attendance. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

~~(a)~~ (1) at least one copy of the records must be held in a secure depository;

~~(b)~~ (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

~~(c)~~ (3) an alternative method of complying with ~~paragraphs (a) and (b)~~ clauses (1) and (2) must be established if the school ceases to exist; and

(d) (4) a continuous surety bond must be filed with the office in an amount not to exceed \$20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist.

Sec. 19. [141.251] [LICENSE RENEWAL.]

Subdivision 1. [APPLICATION.] Application for renewal of a license must be made at least 30 days before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee established by the office that is sufficient to recover, but does not exceed, its administrative costs.

Subd. 2. [CONDITIONS.] The office shall adopt rules establishing the conditions for renewal of a license. The conditions shall permit two levels of renewal based on the record of the school. A school that has demonstrated the quality of its program and operation through longevity and performance in the state may renew its license based on a relaxed standard of scrutiny. A school that has been in operation in Minnesota for a limited period of time or that has not performed adequately on performance indicators shall renew its license based on a strict standard of scrutiny. The office shall specify minimum longevity standards and performance indicators that must be met before a school may be permitted to operate under the relaxed standard of scrutiny. The performance indicators used in this determination shall include, but not be limited to: degree granting status, national accreditation, loan default rates, placement rate of graduates, student withdrawal rates, audit results, student complaints, and school status with the United States Department of Education. Schools that meet the requirements established in rule shall be required to submit a full relicensure report once every four years, and in the interim years will be exempt from the requirements of section 141.25, subdivision 3, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and 4880.2100, subpart 4.

Sec. 20. Minnesota Statutes 1998, section 141.26, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR PERMIT.] (a) The application for the permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the office may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of this chapter and Minnesota Rules, ~~parts 3530.6500 to 3530.7800.~~

Sec. 21. [141.265] [INFORMATION TO STUDENTS.]

Subdivision 1. [CATALOG, BROCHURE, OR ELECTRONIC DISPLAY.] A school or its agent must provide the catalog, brochure, or electronic display required in section 141.25, subdivision 9, to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a school that does not use a written contract or enrollment agreement.

Subd. 2. [CONTRACT INFORMATION.] A contract or enrollment agreement used by a school must include at least the following:

- (1) the name and address of the school, clearly stated;
- (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument upon written acceptance of the student by the school unless canceled under section 141.271;
- (3) the school's cancellation and refund policy that shall be clearly and conspicuously entitled "Buyer's Right to Cancel";
- (4) a clear statement of total cost of the program including tuition and all other charges;
- (5) the name and description of the program, including the number of hours or credits of classroom instruction, or distance instruction, that shall be included; and

(6) a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered.

Subd. 3. [CONTRACT COPIES.] Immediately upon signing of the enrollment agreement or the contract by a prospective student, the school or agent shall furnish to the prospective student an exact duplicate copy of the enrollment agreement or contract.

Sec. 22. Minnesota Statutes 1998, section 141.271, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ACCEPTANCE OR REJECTION; RIGHT TO REFUND STUDENT.] For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student.

Subd. 1a. [NOTICE; RIGHT TO REFUND.] Every school shall notify each student, in writing, of acceptance or rejection. In the event that the student is rejected by the school, all tuition, fees and other charges shall be refunded.

Sec. 23. Minnesota Statutes 1998, section 141.271, subdivision 2, is amended to read:

Subd. 2. [SCHOOLS USING WRITTEN CONTRACTS.] (a) Notwithstanding anything to the contrary, every a school which ~~utilizes~~ uses a written contract or enrollment agreement shall refund all tuition, fees and other charges ~~paid~~ paid by a student, if the student gives written notice of cancellation within five business days after the day on which the contract was executed regardless of whether the ~~course of instruction~~ program has started.

(b) ~~With respect to those schools utilizing a written contract or enrollment agreement,~~ When a student has been accepted by the school and has entered into a contractual agreement with the school and gives written notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the ~~course of instruction~~ program in the case of resident schools, or before the first lesson has been serviced by the school in the case of ~~correspondence (home study) distance education~~ schools, all tuition, fees and other charges, except 15 percent of the total cost of the ~~course~~ program but not to exceed \$50, shall be refunded to the student.

Sec. 24. Minnesota Statutes 1998, section 141.271, subdivision 3, is amended to read:

Subd. 3. [SCHOOLS NOT USING WRITTEN CONTRACTS.] (a) Notwithstanding anything to the contrary, every a school which ~~that~~ does not ~~utilize~~ use a written contract or enrollment agreement shall refund all tuition, fees and other charges ~~paid~~ paid by a student if the student gives written notice of cancellation within five business days after the day on which the student is accepted by the school regardless of whether the ~~course of instruction~~ program has started.

(b) ~~With respect to those schools not utilizing a written contract or enrollment agreement,~~ When a student has been accepted by the school and gives written notice of cancellation following the fifth business day after the day of acceptance by the school, but before the start of the ~~course of instruction~~ program, in the case of resident schools, or before the first lesson has been serviced by the school, in the case of ~~correspondence (home study) distance education~~ schools, all tuition, fees and other charges, except 15 percent of the total cost of the ~~course~~ program but not to exceed \$50, shall be refunded to the student.

Sec. 25. Minnesota Statutes 1998, section 141.271, subdivision 4, is amended to read:

Subd. 4. [RESIDENT SCHOOLS.] ~~With respect to all schools offering a resident course of instruction,~~ When a student has been accepted by the a school offering a resident program and gives written notice of cancellation after the start of the period of instruction for which the student has been charged, but before completion of 75 percent of the period of instruction ~~for which the student has been charged,~~ the amount charged for tuition, fees, and all other charges ~~for the completed portion of the period of instruction for which the student has been charged~~ shall not exceed the pro-rata be prorated as a portion of the total charges for tuition, fees, and all other charges ~~that the length of the completed portion of the period of instruction for which the student~~

has been charged bears to its total length, plus. An additional 25 percent of the total cost of the period of instruction for which the student has been charged may be added, but shall not to exceed \$100. After completion of 75 percent of the period of instruction for which the student has been charged, no refunds are required.

Sec. 26. Minnesota Statutes 1998, section 141.271, subdivision 5, is amended to read:

Subd. 5. [~~CORRESPONDENCE HOME STUDY DISTANCE EDUCATION SCHOOLS.~~] ~~With respect to all schools offering a correspondence (home study) course of instruction,~~ When a student has been accepted by ~~the a~~ distance education school and gives written notice of cancellation after the first lesson has been completed by the student and serviced by the school, but before completion of 75 percent of the ~~course of instruction program,~~ the amount charged for tuition, fees and all other charges for the completed lessons shall ~~not exceed the pro-rata be~~ prorated as a portion of the total charges for tuition, fees and all other charges ~~that the number of lessons completed by the student bears to the total number of lessons offered, plus.~~ An additional 25 percent of the total cost of the course program may be added but shall not to exceed \$75. After completion of 75 percent of the ~~course of instruction program,~~ no refunds are required.

Sec. 27. Minnesota Statutes 1998, section 141.271, subdivision 6, is amended to read:

Subd. 6. [~~COMBINATION CORRESPONDENCE-RESIDENT DISTANCE EDUCATION-RESIDENT SCHOOLS.~~] ~~With respect to all schools offering a combination correspondence (home study)-resident course of instruction,~~ When a student has been accepted by ~~the a~~ school that offers a combination distance education-resident program and gives written notice of cancellation after the start of the ~~course of instruction program~~ or after the first lesson has been completed by the student and serviced by the school, whichever phase comes first, the school shall refund all tuition, fees and other charges as provided for in subdivision 4 if cancellation occurs during the resident portion, and as provided for in subdivision 5 if cancellation occurs during the ~~correspondence distance instruction portion;~~ ~~provided that,~~ If the cancellation occurs before the student has commenced one of the phases, the price of that phase shall not be considered in making the proration and the student shall be entitled to a full refund of the ~~price thereof charges.~~ Conversely, if the student has completed a phase of the ~~course program~~ before cancellation, the ~~price thereof charges~~ may be retained by the school provided that the total tuition, fees and other charges for each phase have been stated separately in the school's catalog or electronic display and contract or enrollment agreement.

Sec. 28. Minnesota Statutes 1998, section 141.271, subdivision 12, is amended to read:

Subd. 12. [~~INSTRUMENT NOT TO BE NEGOTIATED.~~] ~~No~~ A school shall not negotiate any promissory instrument received as payment of tuition or other charge prior to completion of 50 percent of the ~~course of instruction program.~~ Prior to ~~such~~ that time, ~~such~~ instruments may be transferred by assignment to purchasers who shall be subject to all defenses available against the school named as payee.

Sec. 29. Minnesota Statutes 1998, section 141.28, subdivision 3, is amended to read:

Subd. 3. [~~FALSE STATEMENTS.~~] ~~No~~ A school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a ~~course program,~~ if ~~such~~ the school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

Sec. 30. Minnesota Statutes 1998, section 141.28, subdivision 5, is amended to read:

Subd. 5. [~~IMPROBABLE COURSE PROGRAM COMPLETION OR EMPLOYMENT.~~] ~~No~~ A school, agent, or solicitor shall not enroll a prospective student when it is obvious that the prospective student is unlikely to successfully complete a ~~course of instruction program~~ or is unlikely to qualify for employment in the vocation or field for which the ~~training preparation~~ is designed unless this fact is affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the



school. ~~Such~~ The disclaimer shall be signed by the student and shall state substantially as follows one or both of the following: "I am fully aware that it is unlikely I will be able to successfully complete the course of instruction program" ~~and/or~~ and "I am fully aware of the improbability or impossibility that I will qualify for employment in the vocation or field for which the course program was designed."

Sec. 31. Minnesota Statutes 1998, section 141.29, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The office may, after notice and upon providing an opportunity for a hearing, pursuant to under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend any a license or solicitor's permit for any ~~one or any~~ combination of the following grounds:

(a) (1) violation of any provisions of sections 141.21 to ~~141.36~~ 141.35 or any rule promulgated adopted by the office;

(b) (2) furnishing to the office false, misleading, or incomplete information;

(c) (3) presenting to prospective students information relating to the school which that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

(d) (4) refusal to allow reasonable inspection or supply reasonable information after written request ~~therefor~~ by the office;

(e) (5) the existence of any circumstance which that would be grounds for the refusal of an initial or renewal license under section 141.25.

Sec. 32. Minnesota Statutes 1998, section 141.31, is amended to read:

141.31 [INJUNCTION.]

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violation of sections 141.21 to ~~141.36~~ 141.35.

Sec. 33. Minnesota Statutes 1998, section 141.32, is amended to read:

141.32 [PENALTY.]

Violation of ~~any provisions~~ a provision of this chapter shall be a misdemeanor. Each day's failure to comply with this chapter shall be a separate violation. The office shall adopt rules establishing a list of civil penalties and the fine associated with each violation. Fines for violations shall not exceed \$500 per day per violation.

Sec. 34. Minnesota Statutes 1998, section 141.35, is amended to read:

141.35 [EXEMPTIONS.]

~~None of the provisions of Sections 141.21 to 141.36~~ 141.35 shall not apply to the following:

(a) (1) ~~colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees~~ public post-secondary institutions;

(2) private post-secondary institutions registered under sections 136A.61 to 136A.71 that are nonprofit, or that are for profit and registered under sections 136A.61 to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate or postbaccalaureate programs;

(b) (3) schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(c) ~~public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17;~~

(d) (4) private schools complying with the requirements of section 120A.22, subdivision 2 ~~4~~;

~~(e) private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;~~

~~(f) (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;~~

~~(g) (6) schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;~~

~~(h) (7) schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses;~~

~~(i) (8) schools and educational programs, or training programs, conducted contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;~~

~~(j) (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office. Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption;~~

~~(k) (10) driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;~~

~~(l) (11) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;~~

~~(m) courses of instruction (12) programs in the fine arts provided by organizations exempt from taxation pursuant to under section 290.05 and registered with the attorney general pursuant to under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota board of the arts;~~

~~(n) (13) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, which classes, courses, or programs that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and which that are offered primarily to a person who currently practices an individual practicing the profession;~~

~~(o) (14) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;~~

~~(p) (15) classes, courses, or programs of a seminar nature providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment;~~

~~(q) (16) classes, courses, or programs of a seminar nature providing instruction in personal development, modeling, or acting; and~~

~~(r) (17) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and~~

~~(18) schools with no physical presence in Minnesota engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.~~

Sec. 35. [REPORT REQUIRED.]

(a) The higher education services office shall conduct a study of the licensure and regulation of private, for-profit education and training providers in Minnesota and make recommendations to the legislature regarding:

(1) the appropriate level of regulation of providers of accelerated custom-designed training courses or programs; and

(2) changes in statutes or rules necessary to reflect the increased availability of courses and programs offered through electronic means and the use of the Internet to communicate information regarding courses and programs.

(b) The recommendations submitted shall:

(1) identify and define terminology associated with accelerated custom-designed training opportunities;

(2) delineate the minimum standards providers must meet;

(3) delineate the procedures providers must follow to validate that they have met the standards established; and

(4) specify the providers' contractual and financial obligations to individuals participating in the training provided by the providers.

(c) In developing its recommendations, the office shall consult with the Minnesota High Technology Association and providers that may be affected by changes in the statutes or rules. A report of the findings and recommendations shall be submitted to the chairs of the senate higher education budget division and the house higher education finance committee by January 15, 2000.

Sec. 36. [REPEALER.]

Minnesota Statutes 1998, sections 141.22; 141.25, subdivisions 9a, 9b, and 11; and 141.36, are repealed."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for higher education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; requiring post-secondary institutions to provide certain information; modifying financial aid provisions; making technical changes to membership and terms of certain advisory councils, boards, and student associations; modifying curriculum provisions for Minnesota state colleges and universities; extending and transferring the farmer-lender mediation program to the Minnesota extension service; requiring certain reports to the legislature; clarifying and changing requirements of private career schools; amending Minnesota Statutes 1998, sections 16B.465, subdivision 4; 135A.14, by adding a subdivision; 135A.155; 136A.031, subdivision 3; 136A.121, subdivision 5; 136A.125, subdivision 4; 136A.243, subdivision 7; 136A.244, subdivision 2; 136A.245, subdivision 6; 136F.02, subdivision 2; 136F.04, subdivision 1; 136F.22, subdivision 1; 136F.32, subdivision 2, and by adding a subdivision; 141.21, subdivisions 3, 5, 6, and by adding subdivisions; 141.25, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; 141.26, subdivision 2; 141.271, subdivisions 1, 2, 3, 4, 5, 6, and 12; 141.28, subdivisions 3 and 5; 141.29, subdivision 1; 141.31; 141.32; 141.35; 471.59, subdivision 1; and 583.22, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; and 141; repealing Minnesota Statutes 1998, sections 136A.1359; 136A.136; 141.22; 141.25, subdivisions 9a, 9b, and 11; and 141.36."

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

House Conferees: (Signed) Peggy Leppik, John Tuma, Steve Dehler, Marty Seifert, Lyndon R. Carlson

Senate Conferees: (Signed) LeRoy A. Stumpf, Cal Larson, Deanna L. Wiener, Sam G. Solon, Steve Kelley

Senator Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2380 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. 2380 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 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kelly, R.C.

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 Senate File No. 1099, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1099:** A bill for an act relating to health; modifying training requirements for nursing assistants; amending Minnesota Statutes 1998, section 144A.61, subdivisions 2 and 3a.

Senate File No. 1099 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. 171, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 171:** A bill for an act relating to commerce; providing an appropriation for an education campaign on mortgage flipping; establishing penalties; proposing coding for new law in Minnesota Statutes, chapter 82B.

Senate File No. 171 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. 1485, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1485:** A bill for an act relating to professions; modifying provisions of the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design relating to fees and continuing education; increasing penalties; amending Minnesota Statutes 1998, section 326.111, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Rules, part 1800.0500, subpart 3.

Senate File No. 1485 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. 148, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 148:** A bill for an act relating to commerce; providing for the protection of structured settlements; amending Minnesota Statutes 1998, section 176.175, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 549.

Senate File No. 148 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. 1821, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1821:** A bill for an act relating to housing; modifying provision for amending zoning ordinance by cities of the first class; modifying housing finance agency provisions; authorizing agency to make equity take-out loans to owners of federally subsidized housing under certain circumstances; allowing participants to receive rental assistance for family stabilization for up to 60 months; clarifying purposes for which community rehabilitation funds may be used; establishing account to provide homeownership opportunities for disabled; modifying low-income housing credits; amending Minnesota Statutes 1998, sections 462.357, subdivision 5; 462A.073, subdivision 2; 462A.205, subdivisions 1, 2, 5, 6, and 9; 462A.206, subdivision 2; 462A.21, by adding a subdivision; 462A.222, subdivision 3; and 462A.223, subdivision 2; repealing Minnesota Statutes 1998, section 462A.073, subdivision 3.

Senate File No. 1821 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 House File No. 346, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 346 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1999

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 346

A bill for an act relating to courts; prohibiting certain contracting arrangements for freelance court reporting services; regulating certain services; proposing coding for new law in Minnesota Statutes, chapter 486.

May 14, 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. 346, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 346 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [486.10] [FREELANCE COURT REPORTERS; DISCLOSURE OF FINANCIAL ARRANGEMENTS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Court reporting firm" means a business that provides services of freelance court reporters.

(c) "Freelance court reporter" means an officer who captures and transcribes verbatim legal proceedings and who is authorized to administer oaths to witnesses. Freelance court reporter does not include a court reporter while working in a courtroom setting as an employee of the court.

(d) "Contract or agreement" means a contract or agreement, whether oral or written, for court reporting services between a freelance court reporter or court reporting firm and an attorney, law firm, party to a legal proceeding, or party having a financial interest in a legal proceeding that provides for ongoing court reporting services not limited to a particular case or reporting incident.

Subd. 2. [DISCLOSURE; COURT REPORTER REQUIREMENTS; OBJECTIONS.] (a) The existence of a contract or agreement for court reporting services must be disclosed as provided by this paragraph. Written notice of a contract or agreement must be included in the notice of taking deposition or the notice of legal proceeding before commencement of a legal proceeding at which court reporting services are being provided. Oral disclosure of a contract or agreement must be made on the record by the court reporter at the commencement of the legal proceeding.

(b) A freelance court reporter:

(1) shall treat all parties to an action equally, providing comparable services to all parties;

(2) may not act as an advocate for any party or act partially to any party to an action; and

(3) shall comply with all state and federal court rules that govern the activities of court reporters.

(c) An attorney shall state the reason for the objection to the provision of court reporting services by a freelance court reporter or court reporting firm and shall note the objection and the reason on the record.

Subd. 3. [REMEDIES.] Upon the court's or presiding officer's learning of a violation of subdivision 2, paragraph (a), the court or presiding officer may declare that the record for which the court reporting services were provided is void and may order that the legal proceeding be reconducted. Parties who violate subdivision 2, paragraph (a), are jointly and severally liable for costs associated with reconducting the legal proceeding and preparing the new record. Costs include, but are not limited to, attorney, witness, and freelance court reporter appearance and transcript fees."

Amend the title as follows:

Page 1, line 2, delete "prohibiting certain" and insert "requiring disclosure of"

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

House Conferees: (Signed) Steve Smith, Sherry Broecker, Rob Leighton

Senate Conferees: (Signed) John C. Hottinger, Sheila M. Kiscaden, Allan H. Spear

Senator Hottinger moved that the foregoing recommendations and Conference Committee Report on H.F. No. 346 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. 346 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### **MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 1721 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 1721**

A bill for an act relating to public employees; ratifying certain labor agreements and compensation plans; providing for transfer of vacation and sick leave for certain employees; modifying per diem provision for special mediators; modifying procedures for the listing of arbitrators; exempting epidemiologists from a salary cap; making technical changes; amending Minnesota Statutes 1998, sections 3.096; 43A.17, subdivision 4; 179.02, subdivision 2; 179A.03, subdivision 14; 179A.04, subdivision 3; 179A.10, subdivision 1; and 179A.16, subdivision 2; repealing Minnesota Statutes 1998, section 43A.17, subdivision 12.

May 14, 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. 1721, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: (Signed) Carol Flynn, Sheila M. Kiscaden

House Conferees: (Signed) Carol L. Molnau, Peggy Leppik, Gene Pelowski, Jr.

Senator Flynn moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1721 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. 1721 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 48 and nays 12, as follows:

Those who voted in the affirmative were:

Belanger	Higgins	Laidig	Olson	Solon
Berg	Janezich	Langseth	Pariseau	Spear
Berglin	Johnson, D.E.	Lessard	Pogemiller	Stevens
Betzold	Johnson, D.H.	Lourey	Price	Ten Eyck
Cohen	Johnson, D.J.	Marty	Ranum	Terwilliger
Day	Johnson, J.B.	Metzen	Robertson	Vickerman
Flynn	Junge	Moe, R.D.	Runbeck	Wiener
Foley	Kelley, S.P.	Neuville	Sams	Wiger
Frederickson	Kelly, R.C.	Novak	Samuelson	
Hanson	Krentz	Oliver	Scheid	

Those who voted in the negative were:

Dille	Kleis	Lesewski	Ourada	Stumpf
Fischbach	Knutson	Limmer	Robling	Ziegler
Kierlin	Larson			

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

## MOTIONS AND RESOLUTIONS - CONTINUED

### CONFIRMATION

Senator Solon moved that the report from the Committee on Commerce, reported March 4, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Solon moved that the foregoing report be now adopted. The motion prevailed.

Senator Solon moved that in accordance with the report from the Committee on Commerce, reported March 4, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:



DEPARTMENT OF COMMERCE  
COMMISSIONER

David Jennings, 700 S. Bruce St., Marshall, Lyon County, effective January 22, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Senator Sams moved that the report from the Committee on Agriculture and Rural Development, reported March 29, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Sams moved that the foregoing report be now adopted. The motion prevailed.

Senator Sams moved that in accordance with the report from the Committee on Agriculture and Rural Development, reported March 29, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF AGRICULTURE  
COMMISSIONER

Gene Hugoson, 2775 - 60th St., Granada, Martin County, effective January 13, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Senator Vickerman moved that the reports from the Committee on Local and Metropolitan Government, reported April 6, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Vickerman moved that the foregoing reports be now adopted. The motion prevailed.

Senator Vickerman moved that in accordance with the reports from the Committee on Local and Metropolitan Government, reported April 6, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

GAMBLING CONTROL BOARD

John Breon, 3017 Brooks Ln., Wayzata, Hennepin County, effective September 28, 1998, for a term expiring on June 30, 2000.

Eldon Fontana, 400 S. 4th St., Minneapolis, Hennepin County, effective August 14, 1998, for a term expiring on June 30, 2002.

Donald F. McHale, 113 Maish St., P.O. Box 393, Pequot Lakes, Crow Wing County, effective July 6, 1998, for a term expiring on June 30, 2002.

The motion prevailed. So the appointments were confirmed.

Senator Vickerman moved that in accordance with the reports from the Committee on Local and Metropolitan Government, reported April 6, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

METROPOLITAN COUNCIL  
CHAIR

Ted Mondale, 3800 France Ave. S., St. Louis Park, Hennepin County, effective February 1, 1999, for a term expiring on January 6, 2003.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Higgins	Laidig	Pogemiller	Ranum
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The motion prevailed. So the appointment was confirmed.

### CONFIRMATION

Senator Hottinger moved that the reports from the Committee on Health and Family Security, reported April 7, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Hottinger moved that the foregoing reports be now adopted. The motion prevailed.

Senator Hottinger moved that in accordance with the reports from the Committee on Health and Family Security, reported April 7, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF HEALTH COMMISSIONER

Jan Malcolm, 3819 Zenith Ave. S., Minneapolis, Hennepin County, effective February 1, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointment was confirmed.

Senator Hottinger moved that in accordance with the reports from the Committee on Health and Family Security, reported April 7, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF HUMAN SERVICES COMMISSIONER

Michael O'Keefe, 1506 Mount Curve Ave., Minneapolis, Hennepin County, effective March 1, 1999, for a term expiring on January 6, 2003.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 50 and nays 9, as follows:

Those who voted in the affirmative were:

Belanger	Berglin	Cohen	Fischbach	Foley
Berg	Betzold	Dille	Flynn	Frederickson

Hanson	Kierlin	Lourey	Piper	Scheevel
Hottinger	Kiscaden	Metzen	Price	Scheid
Johnson, D.E.	Kleis	Moe, R.D.	Ranum	Spear
Johnson, D.J.	Knutson	Novak	Robertson	Stevens
Johnson, J.B.	Krentz	Oliver	Robling	Stumpf
Junge	Langseth	Olson	Runbeck	Ten Eyck
Kelley, S.P.	Lesewski	Ourada	Sams	Terwilliger
Kelly, R.C.	Limmer	Pariseau	Samuelson	Wiener

Those who voted in the negative were:

Day	Laidig	Neuville	Vickerman	Ziegler
Higgins	Larson	Pogemiller	Wiger	

The motion prevailed. So the appointment was confirmed.

Senator Hottinger moved that in accordance with the reports from the Committee on Health and Family Security, reported April 7, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### EMERGENCY MEDICAL SERVICES REGULATORY BOARD

Jim Dowson, P.O. Box 1119, Walker, Cass County, effective October 6, 1998, for a term expiring on January 7, 2002.

The motion prevailed. So the appointment was confirmed.

### CONFIRMATION

Senator Flynn moved that the report from the Committee on Transportation, reported April 14, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Flynn moved that the foregoing report be now adopted. The motion prevailed.

Senator Flynn moved that in accordance with the report from the Committee on Transportation, reported April 14, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF TRANSPORTATION COMMISSIONER

Elwyn Tinklenberg, 11234 Forest Ct., Blaine, Anoka County, effective January 6, 1999, for a term expiring on Monday January 6, 2003.

The motion prevailed. So the appointment was confirmed.

### CONFIRMATION

Senator Spear moved that the report from the Committee on Crime Prevention, reported April 16, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Spear moved that the foregoing report be now adopted. The motion prevailed.

Senator Spear moved that in accordance with the report from the Committee on Crime Prevention, reported April 16, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF CORRECTIONS COMMISSIONER

Sheryl Ramstad Hvass, 12120 Golden Acre Dr., Minnetonka, Hennepin County, effective February 9, 1999, for a term expiring on January 6, 2003.

DEPARTMENT OF PUBLIC SAFETY  
COMMISSIONER

Charlie Weaver, 440 Rice St., Anoka, Anoka County, effective January 4, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Senator Lessard moved that the reports from the Committee on Environment and Natural Resources, reported April 29, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Lessard moved that the foregoing reports be now adopted. The motion prevailed.

Senator Lessard moved that in accordance with the reports from the Committee on Environment and Natural Resources, reported April 29, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA POLLUTION CONTROL AGENCY  
COMMISSIONER

Karen Studders, 7809 Southtown Center, #356, Bloomington, Hennepin County, effective March 1, 1999, for a term expiring on January 6, 2003.

Senator Stevens moved that the appointment be re-referred to the Committee on Environment and Natural Resources.

**CALL OF THE SENATE**

Senator Moe, R.D. imposed a call of the Senate for the balance of the proceedings on the confirmation of Karen Studders. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Stevens motion. The motion did not prevail.

The question recurred on the adoption of the Lessard motion. The motion prevailed. So the appointment was confirmed.

Senator Lessard moved that in accordance with the reports from the Committee on Environment and Natural Resources, reported April 29, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF NATURAL RESOURCES  
COMMISSIONER

Allen Garber, 11200 Creekview Ln., Champlin, Hennepin County, effective February 15, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Senator Johnson, D.J. moved that the reports from the Committee on Taxes, reported April 30, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Johnson, D.J. moved that the foregoing reports be now adopted. The motion prevailed.

Senator Johnson, D.J. moved that in accordance with the reports from the Committee on Taxes, reported April 30, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF REVENUE  
COMMISSIONER

Matthew G. Smith, 12200 St. Croix Tr. North, Stillwater, Washington County, effective January 20, 1999, for a term expiring on January 6, 2003.

TAX COURT

Raymond R. Krause, 1680 Lake Johanna Blvd., Arden Hills, Ramsey County, effective July 16, 1998, for a term expiring on January 6, 2003.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Senator Johnson, D.J. moved that the report from the Committee on Taxes, reported May 5, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Senator Johnson, D.J. moved that in accordance with the report from the Committee on Taxes, reported May 5, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

TAX COURT

George W. Perez, 111 E. Kellogg Blvd., #1407, St. Paul, Ramsey County, effective April 1, 1999, for a term expiring on January 3, 2005.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Senator Cohen moved that the report from the Committee on State Government Finance, reported May 4, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Cohen moved that the foregoing report be now adopted. The motion prevailed.

Senator Cohen moved that in accordance with the report from the Committee on State Government Finance, reported May 4, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF FINANCE  
COMMISSIONER

Pam Wheelock, 1843 Highland Pkwy, St. Paul, Ramsey County, effective February 10, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointment was confirmed.

**RECESS**

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### CALL OF THE SENATE

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 653 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 653

A bill for an act relating to government data practices; clarifying electronic access to data; modifying notice requirements for students and employees; classifying data; clarifying the status of data on parents held by educational entities; authorizing access to medical records by adult children of a deceased patient; eliminating inconsistent language; authorizing dissemination of personnel data; authorizing sharing of certain data for tax administration purposes; changing deadlines for providing data; clarifying and modifying access to data on employees reporting violations of law; making certain rideshare program data on individuals private; amending Minnesota Statutes 1998, sections 13.03, subdivision 3; 13.04, subdivisions 2 and 3; 13.32, subdivisions 2 and 3; 13.43, by adding a subdivision; 13.47; 15.17, subdivisions 1 and 2; 141.30; 144.335, subdivision 1; 181.932, subdivision 2; 270B.03, subdivisions 1 and 5; 270B.14, by adding a subdivision; and 273.124, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1998, sections 13.72, subdivision 2; 504.23; and 504A.595.

May 14, 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. 653, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 653 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] (a) Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data.

(b) For purposes of this section, "inspection" includes, but is not limited to, the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the government entity, unless printing a copy is the only method to provide for inspection of the data. In the case of data stored in electronic form and made available in electronic form on a remote access basis to the public by the government entity, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public's own computer equipment. Nothing in this section prohibits a government

entity from charging a reasonable fee for remote access to data under a specific statutory grant of authority. A government entity may charge a fee for remote access to data where either the data or the access is enhanced at the request of the person seeking access.

(c) The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

(d) When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

(e) If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1998, section 13.04, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO DATA BY INDIVIDUAL.] Upon request to a responsible authority, an individual shall be informed whether the individual is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge and, if desired, shall be informed of the content and meaning of that data. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to that individual for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created. The responsible authority shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority may require the requesting person to pay the actual costs of making, certifying, and compiling the copies.

The responsible authority shall comply immediately, if possible, with any request made pursuant to this subdivision, or within five ten days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible. ~~If unable to comply with the request within that time, the responsible authority shall so inform the individual, and may have an additional five days within which to comply with the request, excluding Saturdays, Sundays and legal holidays.~~

Sec. 3. Minnesota Statutes 1998, section 13.32, subdivision 2, is amended to read:

Subd. 2. [STUDENT HEALTH AND CENSUS DATA; DATA ON PARENTS.] (a) Health data concerning students, including but not limited to, data concerning immunizations, notations of special physical or mental problems and records of school nurses are educational data. Access by parents to student health data shall be pursuant to section 13.02, subdivision 8.

(b) Pupil census data, including emergency information, and family information, ~~and data concerning parents~~ are educational data.

(c) Data concerning parents are private data on individuals but may be treated as directory information if the same procedures that are used by a school district to designate student data as directory information under subdivision 5 are followed.

Sec. 4. Minnesota Statutes 1998, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36 ~~which are in effect on July 1, 1993;~~
- (e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35 ~~which are in effect on July 1, 1993;~~
- (f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092, ~~in effect on July 1, 1993;~~
- (h) To the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a post-secondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) To appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file; ~~or~~
- (j) To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
- (k) To provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216; or
- (l) To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals.

Sec. 5. [13.442] [BUILDING CODE VIOLATIONS.]

Code violation records pertaining to a particular parcel of real property and the buildings, improvements, and dwelling units located on it that are kept by any state, county, or city agency charged by the governing body of the appropriate political subdivision with the responsibility for



enforcing a state, county, or city health, housing, building, fire prevention, or housing maintenance code are public data; except as otherwise provided by section 13.39, subdivision 2; 13.44; or 13.82, subdivision 5.

Sec. 6. Minnesota Statutes 1998, section 13.43, is amended by adding a subdivision to read:

Subd. 13. [DISSEMINATION OF DATA TO DEPARTMENT OF ECONOMIC SECURITY.] Private personnel data must be disclosed to the department of economic security for the purpose of administration of the reemployment insurance program under chapter 268.

Sec. 7. Minnesota Statutes 1998, section 13.47, is amended to read:

13.47 [EMPLOYMENT AND TRAINING DATA.]

Subdivision 1. [DEFINITION.] (a) "Employment and training data" means data on individuals collected, maintained, used, or disseminated because an individual applies for, is currently enrolled in, or has been enrolled in employment and training programs funded with federal, state, or local resources, including those provided under the Workforce Investment Act of 1998, United States Code, title 29, section 2801.

(b) "Employment and training service provider" means an administrative entity certified, or seeking to be certified, by the commissioner of economic security to deliver employment and training services under section 268.0122, subdivision 3, or an organization that contracts with a certified administrative entity or the department of economic security to deliver employment and training services.

(c) "Provider of training services" means an organization or entity that provides training under the Workforce Investment Act of 1998, United States Code, title 29, section 2801.

Subd. 2. [CLASSIFICATION.] Employment and training data are private data on individuals.

Subd. 3. [DISSEMINATION.] Employment and training data may be disseminated by employment and training service providers:

(a) to other employment and training service providers to coordinate the employment and training services for the data subject or to determine eligibility or suitability for services from other programs;

(b) to local and state welfare agencies for monitoring the eligibility of the participant for assistance programs, or for any employment or training program administered by those agencies; and

(c) to the commissioner of economic security.

Subd. 4. [DATA PREPARATION.] To produce data required to certify the eligibility of training service providers under section 268.0122, subdivision 3, clause (7), the Workforce Investment Act of 1998, United States Code, title 29, section 2801, or other studies required by law, the commissioner of economic security, in consultation with the governor's workforce development council, may:

(1) enter into a data exchange agreement with a training service provider whereby the commissioner of economic security shall furnish to the provider wage information under section 268.044 on individuals who have received training services from the provider. The provider shall use this wage information to prepare summary data determined necessary by the commissioner in consultation with the governor's workforce development council. The provider may use this wage information for conducting studies to improve instruction; or

(2) if there is no agreement under clause (1), require the training service provider to furnish employment and training data determined necessary by the commissioner in consultation with the governor's workforce development council.

Subd. 5. [SUMMARY DATA.] The commissioner of economic security shall provide the

training service providers, as well as make available to the public, summary data on the performance of the training services.

Sec. 8. [13.491] [RIDESHARE DATA.]

The following data on participants, collected by the Minnesota department of transportation and the metropolitan council to administer rideshare programs, are classified as private under section 13.02, subdivision 12: residential address and telephone number; beginning and ending work hours; current mode of commuting to and from work; and type of rideshare service information requested.

Sec. 9. [13.612] [MUNICIPAL UTILITY CUSTOMER DATA.]

Data on customers of municipal electric utilities are private data on individuals or nonpublic data, but may be released to:

(1) a law enforcement agency that requests access to the data in connection with an investigation;

(2) a school for purposes of compiling pupil census data;

(3) the metropolitan council for use in studies or analyses required by law;

(4) a public child support authority for purposes of establishing or enforcing child support; or

(5) a person where use of the data directly advances the general welfare, health, or safety of the public; the commissioner of administration may issue advisory opinions construing this clause pursuant to section 13.072.

Sec. 10. [13.772] [MINNESOTA POLLUTION CONTROL AGENCY DATA.]

Data that identify specific locations within the state where intensive and global survey site investigations are under way, or are determined by the Minnesota pollution control agency as appropriate for studying the cause of malformations in frogs, are nonpublic data until the agency determines that it will not investigate or has completed its scientific investigation at the reported abnormal frog site.

Sec. 11. Minnesota Statutes 1998, section 15.17, subdivision 1, is amended to read:

Subdivision 1. [MUST BE KEPT.] All officers and agencies of the state, counties, cities, towns, school districts, municipal subdivisions or corporations, or other public authorities or political entities within the state, hereinafter "public officer," shall make and preserve all records necessary to a full and accurate knowledge of their official activities. Government records may be produced in the form of computerized records. All government records shall be made on a physical medium of a quality to insure permanent records. Every public officer is empowered to reproduce records if the records are not deemed to be of permanent or archival value by the commissioner of administration and the records disposition panel under section 138.17. The public officer is empowered to reproduce these records by any photographic, photostatic, microphotographic, optical disk imaging system, microfilming, or other reproduction method that clearly and accurately reproduces the records. If a record is deemed to be of permanent or archival value, any reproduction of the record must meet archival standards specified by the Minnesota historical society provided, however, that this section does not prohibit the use of nonerasable optical imaging systems for the preservation of archival records without the preservation of paper or microfilm copies. Each public officer may order that those photographs, photostats, microphotographs, microfilms, optical images, or other reproductions, be substituted for the originals of them. The public officer may direct the destruction or sale for salvage or other disposition of the originals from which they were made, in accordance with the disposition requirements of section 138.17. Photographs, photostats, microphotographs, microfilms, optical images, or other reproductions are for all purposes deemed the original recording of the papers, books, documents, and records reproduced when so ordered by any public officer and are admissible as evidence in all courts and proceedings of every kind. A facsimile or exemplified or

certified copy of a photograph, photostat, microphotograph, microfilm, optical image, or other reproduction, or an enlargement or reduction of it, has the same effect and weight as evidence as would a certified or exemplified copy of the original.

Sec. 12. Minnesota Statutes 1998, section 15.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY FOR RECORDS.] The chief administrative officer of each public agency shall be responsible for the preservation and care of the agency's government records, which shall include written or printed books, papers, letters, contracts, documents, maps, plans, computer-based data, and other records made or received pursuant to law or in connection with the transaction of public business. It shall be the duty of each agency, and of its chief administrative officer, to carefully protect and preserve government records from deterioration, mutilation, loss, or destruction. Records or record books may be repaired, renovated, or rebound when necessary to preserve them properly.

Sec. 13. Minnesota Statutes 1998, section 141.30, is amended to read:

141.30 [INSPECTION.]

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any school or applicant for license at any reasonable time. The office may require the submission of a certified public audit, or if there is no such audit available the office or a delegate may inspect the financial books and records of the school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the school.

~~(b) No agent or employee of the state of Minnesota shall divulge to any person other than a member of the office, or duly constituted law enforcement official, any data obtained from an inspection of the financial records of a school, except in connection with a legal or administrative proceeding commenced to enforce a requirement of law. Data obtained from an inspection of the financial records of a school are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.~~

Sec. 14. Minnesota Statutes 1998, section 181.932, subdivision 2, is amended to read:

~~Subd. 2. [DISCLOSURE OF IDENTITY.] No public official or law enforcement official shall disclose, or cause to disclose, The identity of any employee making a report or providing information to a governmental body or law enforcement official under subdivision 1 without the employee's consent unless the investigator determines that disclosure is necessary for prosecution., clause (a) or (d), is private data on individuals as defined in section 13.02. The identity of an employee providing information under subdivision 1, clause (b), is private data on individuals if:~~

~~(1) the employee would not have provided the information without an assurance that the employee's identity would remain private, because of a concern that the employer would commit an action prohibited under subdivision 1 or that the employee would be subject to some other form of retaliation; or~~

~~(2) the state agency, statewide system, or political subdivision reasonably believes that the employee would not have provided the data because of that concern.~~

~~If the disclosure is necessary for prosecution, the identity of the employee may be disclosed but the employee shall be informed prior to the disclosure.~~

Sec. 15. Minnesota Statutes 1998, section 270B.03, subdivision 1, is amended to read:

Subdivision 1. [WHO MAY INSPECT.] Returns and return information must, on written request, be made open to inspection by or disclosure to the data subject. The request must be made in writing or in accordance with written procedures of the chief disclosure officer of the

department that have been approved by the commissioner to establish the identification of the person making the request as the data subject. For purposes of this chapter, the following are the data subject:

- (1) in the case of an individual return, that individual;
- (2) in the case of an income tax return filed jointly, either of the individuals with respect to whom the return is filed;
- (3) in the case of a partnership return, any person who was a member of the partnership during any part of the period covered by the return;
- (4) in the case of the return of a corporation or its subsidiary:
  - (i) any person designated by resolution of the board of directors or other similar governing body;
  - (ii) any officer or employee of the corporation upon written request signed by any officer and attested to by the secretary or another officer;
  - (iii) any bona fide shareholder of record owning one percent or more of the outstanding stock of the corporation;
  - (iv) if the corporation is a corporation that has made an election under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1988, any person who was a shareholder during any part of the period covered by the return during which an election was in effect; or
  - (v) if the corporation has been dissolved, any person authorized by state law to act for the corporation or any person who would have been authorized if the corporation had not been dissolved;
- (5) in the case of an estate return:
  - (i) the personal representative or trustee of the estate; and
  - (ii) any beneficiary of the estate as shown on the federal estate tax return;
- (6) in the case of a trust return:
  - (i) the trustee or trustees, jointly or separately; and
  - (ii) any beneficiary of the trust as shown in the trust instrument;
- (7) if liability has been assessed to a transferee under section 289A.31, subdivision 3, the transferee is the data subject with regard to the returns and return information relating to the assessed liability;
- (8) in the case of an Indian tribal government or an Indian tribal government-owned entity,
  - (i) the chair of the tribal government, or
  - (ii) any person authorized by the tribal government; and
- (9) in the case of a successor as defined in section 270.102, subdivision 1, paragraph (b), the successor is the data subject and information may be disclosed as provided by section 270.102, subdivision 4.

Sec. 16. Minnesota Statutes 1998, section 270B.03, subdivision 5, is amended to read:

Subd. 5. [ATTORNEY IN FACT.] Any return or return information to which this section applies is, ~~upon written request,~~ open to inspection by or disclosure to the attorney in fact duly authorized in a writing signed by the data subject or to the person or persons designated by the

data subject in a ~~written~~ request for or consent to the disclosure. The request must be made in writing or in accordance with written procedures of the chief disclosure officer of the department that have been approved by the commissioner to establish the identification of the person making the request as the data subject.

Sec. 17. Minnesota Statutes 1998, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO COMMISSIONER OF HUMAN SERVICES.] (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the social security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.711, with those of property tax refund filers, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law Number 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Health Care Financing Administration section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services necessary to verify income for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, food stamps, and Minnesota supplemental aid program have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

Sec. 18. Minnesota Statutes 1998, section 270B.14, is amended by adding a subdivision to read:

Subd. 17. [DISCLOSURE TO DEPARTMENT OF COMMERCE.] The commissioner may disclose to the commissioner of commerce information required to administer the Uniform Disposition of Unclaimed Property Act in sections 345.31 to 345.60, including the social security numbers of the taxpayers whose refunds are on the report of abandoned property submitted by the commissioner to the commissioner of commerce under section 345.41. Except for data published under section 345.42, the information received that is private or nonpublic data retains its classification, and can be used by the commissioner of commerce only for the purpose of verifying that the persons claiming the refunds are the owners.

Sec. 19. Minnesota Statutes 1998, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) On or before January 2, 1993, each county assessor shall mail a homestead application to the owner of each parcel of property within the county which was classified as homestead for the 1992 assessment year. The format and contents of a uniform homestead application shall be prescribed by the commissioner of revenue. The commissioner shall consult with the chairs of the house and senate tax committees on the contents of the homestead application form. The application must clearly inform the taxpayer that this application must be signed by all owners who occupy the property or by the qualifying relative and returned to the county assessor in order for the property to continue receiving homestead treatment. The envelope containing the homestead application shall clearly identify its contents and alert the taxpayer of its necessary immediate response.

(c) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and social security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property qualifies as a homestead under subdivision 1, paragraph (e).

Owners or spouses occupying residences owned by their spouses and previously occupied with the other spouse, either of whom fail to include the other spouse's name and social security number on the homestead application or provide the affidavits or other proof requested, will be deemed to have elected to receive only partial homestead treatment of their residence. The remainder of the residence will be classified as nonhomestead residential. When an owner or spouse's name and social security number appear on homestead applications for two separate residences and only one application is signed, the owner or spouse will be deemed to have elected to homestead the residence for which the application was signed.

The social security numbers or affidavits or other proofs of the property owners and spouses are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue, or, for purposes of proceeding under the Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

(d) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The social security number of each relative occupying the property and the social security number of each owner who is related to an occupant of the property shall be required on the homestead application filed under this subdivision. If a different relative of the owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy. The social security number of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue.

(e) The homestead application shall also notify the property owners that the application filed under this section will not be mailed annually and that if the property is granted homestead status for the 1993 assessment, or any assessment year thereafter, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners,

the spouse of the owner, or the relatives no longer use the property as their homestead. Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the assessor within 30 days that the property has been sold, transferred, or that the owner, the spouse of the owner, or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

(f) If the homestead application is not returned within 30 days, the county will send a second application to the present owners of record. The notice of proposed property taxes prepared under section 275.065, subdivision 3, shall reflect the property's classification. Beginning with assessment year 1993 for all properties, if a homestead application has not been filed with the county by December 15, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

(g) At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner and the property owner's spouse occupying the property, or relative of a property owner, applying for homestead classification under this subdivision. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

(h) If the commissioner finds that a property owner may be claiming a fraudulent homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the taconite homestead credit under section 273.135, and the supplemental homestead credit under section 273.1391.

The county auditor shall send a notice to the person who owned the affected property at the time the homestead application related to the improper homestead was filed, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The person notified may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing proof of service as provided in section 278.01 with the Minnesota tax court within 60 days of the date of the notice from the county. Procedurally, the appeal is governed by the provisions in chapter 271 which apply to the appeal of a property tax assessment or levy, but without requiring any prepayment of the amount in controversy. If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the county treasurer. The county treasurer will add interest to the unpaid homestead benefits and penalty amounts at the rate provided in section 279.03 for real property taxes becoming delinquent in the calendar year during which the amount remains unpaid. Interest may be assessed for the period beginning 60 days after demand for payment was made.

If the person notified is the current owner of the property, the treasurer may add the total amount of benefits, penalty, interest, and costs to the ad valorem taxes otherwise payable on the property by including the amounts on the property tax statements under section 276.04, subdivision 3. The amounts added under this paragraph to the ad valorem taxes shall include interest accrued through December 31 of the year preceding the taxes payable year for which the amounts are first added. These amounts, when added to the property tax statement, become subject to all the laws for the enforcement of real or personal property taxes for that year, and for any subsequent year.

If the person notified is not the current owner of the property, the treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent tax obligations of the person who owned

the property at the time the application related to the improperly allowed homestead was filed. The treasurer may relieve a prior owner of personal liability for the benefits, penalty, interest, and costs, and instead extend those amounts on the tax lists against the property as provided in this paragraph to the extent that the current owner agrees in writing. On all demands, billings, property tax statements, and related correspondence, the county must list and state separately the amounts of homestead benefits, penalty, interest and costs being demanded, billed or assessed.

(i) Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. Any amount recovered that is attributable to supplemental homestead credit is to be transmitted to the commissioner of revenue for deposit in the general fund of the state treasury. The total amount of penalty collected must be deposited in the county general fund.

(j) If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

(k) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners. Social security numbers and federal identification numbers maintained by a county or city assessor for property tax administration purposes, that may appear on the lists, may be used by the county auditor or treasurer of the same county for the purpose of assisting the commissioner in the preparation of microdata samples under section 270.0681.

Sec. 20. [518.146] [SOCIAL SECURITY NUMBERS; TAX RETURNS; IDENTITY PROTECTION.]

The social security numbers and tax returns required under this chapter are not accessible to the public, except that they must be disclosed to the other parties to a proceeding as provided in section 518.551, subdivision 5b.

Sec. 21. [REPORT OF DATA PRACTICES LAWS.]

The responsible authority of each state agency shall prepare a list that identifies all data practices laws codified outside Minnesota Statutes, chapter 13, that are not referenced in Minnesota Statutes, section 13.99. The list must be submitted to the office of the revisor of statutes no later than September 1, 1999, so that the revisor can complete the data practices law recodification as required in section 22.

Sec. 22. [REVISOR INSTRUCTION; DATA PRACTICES LAW RECODIFICATION.]

The revisor of statutes shall reorganize Minnesota Statutes, chapter 13, to create a structure that provides users with quick access to the data practices laws codified in chapter 13, and locates references to data practices laws codified outside chapter 13 adjacent to their particular service area codified in chapter 13. For purposes of this section, "data practice laws codified outside chapter 13" includes both laws that place restrictions on access to data and laws involving data sharing. Service areas may include government entities such as state agencies, cities, or school districts, or functional areas such as education, law enforcement, human services, or child protection. If there is no appropriate service area in chapter 13, the revisor shall recodify the provision in another logical and appropriate place in chapter 13. The revisor shall consult with the chairs of the data practices subcommittees in the house of representatives and senate, and legislative staff. The revisor shall include the data practices recodification in the 2000 edition of Minnesota Statutes.

Sec. 23. [REPEALER.]

Minnesota Statutes 1998, sections 13.72, subdivision 2; and 504A.595, are repealed. 1999 H.F. No. 2425, article 1, section 19, if enacted, is repealed.



Sec. 24. [EFFECTIVE DATE.]

Sections 4, 8, 15 to 19, 21, and 22 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to government data practices; clarifying electronic access to data; classifying data; clarifying the status of data on parents held by educational entities; eliminating inconsistent language; authorizing dissemination of personnel data; authorizing sharing of certain data for tax administration purposes; changing deadlines for providing data; clarifying and modifying access to data on employees reporting violations of law; making certain rideshare program data on individuals private; providing for a recodification of data practices laws; amending Minnesota Statutes 1998, sections 13.03, subdivision 3; 13.04, subdivision 3; 13.32, subdivisions 2 and 3; 13.43, by adding a subdivision; 13.47; 15.17, subdivisions 1 and 2; 141.30; 181.932, subdivision 2; 270B.03, subdivisions 1 and 5; 270B.14, subdivision 1, and by adding a subdivision; and 273.124, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 13; and 518; repealing Minnesota Statutes 1998, sections 13.72, subdivision 2; and 504A.595."

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

Senate Conferees: (Signed) Don Betzold, David L. Knutson, David J. Ten Eyck

House Conferees: (Signed) Phil Carruthers, Steve Smith, Wesley J. "Wes" Skoglund

Senator Betzold moved that the foregoing recommendations and Conference Committee Report on S.F. No. 653 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. 653 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### **MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 319 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 319**

A bill for an act relating to retirement; various pension plans; providing special benefit

coverage for privatized employees of the Luverne public hospital, the Waconia Ridgeview medical center, and the Glencoe area health center; creating a local government correctional service retirement plan; modifying actuarial cost provision; providing a special property tax levy for certain county retirement contributions; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; establishing an additional postretirement adjustment for the Fairmont police relief association; extending survivor benefit provisions to include certain Fairmont police relief association survivors; providing a special ad hoc postretirement adjustment to certain retired St. Cloud police officers; merging the pre-March 1, 1999, local police and paid fire consolidation accounts into the public employees police and fire plan; extending the minimum volunteer firefighter fire state aid amount to post-1993 relief association members; modifying governance provisions for the Minneapolis fire department relief association and the Minneapolis police relief association; providing a targeted early retirement incentive program for certain employees of the metropolitan council; permitting the purchase of service credit by various public employees; mandating certain school district service credit purchase payments; making miscellaneous changes in the legislators retirement plan, the Minnesota state colleges and university system individual retirement account plan, the Minnesota state retirement system, and the teachers retirement association; including supplemental needs trusts as recipients of optional annuity forms; eliminating the service credit maximum for monthly benefit volunteer fire relief associations; mandating school district repayment of certain omitted deduction interest charges; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; authorizing the purchase of credit for certain periods of prior military service, out-of-state public teaching service, maternity leaves, maternity breaks-in-employment, parochial or private school teaching service, Peace Corps service or VISTA service; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various benefit provisions for certain Minnesota state colleges and universities employees; reducing the membership of the legislative commission on pensions and retirement; requiring a study; authorizing the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association to purchase or construct an administrative building; authorizing the issuance of certain revenue bonds; amending Minnesota Statutes 1998, sections 3.85, subdivisions 3, 11, and 12; 3A.02, subdivision 1b; 43A.27, subdivision 3; 69.021, subdivisions 7 and 10; 69.031, subdivision 5; 122A.46, subdivision 2; 136F.48; 273.1385, subdivision 2; 352.03, subdivision 1; 352.90; 352.91, by adding a subdivision; 352.92, subdivisions 1 and 2; 352.93, subdivision 2a; 352B.08, subdivision 2a; 353.01, subdivisions 2b, 10, and 16; 353.03, subdivision 4; 353.27, subdivisions 2 and 3; 353.64, subdivision 1; 353.65, subdivisions 2 and 3; 353.651, subdivision 4; 353A.083, by adding a subdivision; 353A.09, subdivisions 4, 5, and by adding a subdivision; 354.05, subdivision 40; 354.06, subdivisions 1 and 7; 354.10, subdivision 4; 354.445; 354.66, subdivisions 1b, 1c, and 3; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.11; 354C.12, subdivision 4; 356.19, by adding subdivisions; 356.20, subdivision 2; 356.215, subdivision 4g; 356.24, subdivision 1; 356.30, subdivision 3; 356.302, subdivision 7; and 356.303, subdivision 4; 356.55, subdivisions 1 and 6; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18, subdivision 2; 422A.22, subdivisions 4 and 5; and 422A.23; 423A.02, subdivisions 1b, 2, and by adding subdivisions; and 423B.07; Laws 1977, chapter 61, section 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354; 354A; 354B; 356; and 422A; proposing coding for new law as Minnesota Statutes, chapters 353E; and 353F; repealing Minnesota Statutes 1998, sections 353.33, subdivision 3a; 353.65, subdivision 3a; 422A.16, subdivision 3a; and 424A.02, subdivision 5; Laws 1998, chapter 390, article 1, section 1.

May 14, 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. 319, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 319 be further amended as follows:

Page 2, line 58, after "HOSPITAL" insert "AND OTHER PUBLIC"

Page 2, line 61, after "facilities" insert "and other public employing units"

Page 3, lines 6, 16, and 17, after "facility" insert "or other public employing unit"

Page 3, after line 23, insert:

"Subd. 5. [OTHER PUBLIC EMPLOYING UNIT.] "Other public employing unit" means Metro II, a joint powers organization formed under section 471.59."

Page 3, line 24, delete "5" and insert "6" and after "FACILITY" insert "OR OTHER PUBLIC EMPLOYING UNIT"

Page 3, lines 25, 28, 29, and 33, after "facility" insert "or other public employing unit"

Page 3, line 34, delete "6" and insert "7"

Page 3, line 36, after "18" insert a comma

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

Page 4, line 5, delete the first comma

Page 4, lines 5, 13, 22, 25, 27, 28, and 36, after "facility" insert "or other public employing unit"

Page 5, lines 6 and 20, after "facility" insert "or other public employing unit"

Page 5, line 24, delete "Minnesota Statutes,"

Page 5, line 25, delete the first comma

Page 5, lines 25 and 32, after "facility" insert "or other public employing unit"

Page 6, lines 2 and 4, after "facility" insert "or other public employing unit"

Page 6, line 11, before "Sections" insert "(a)" and after "9" insert "with respect to privatized medical facilities"

Page 6, after line 12, insert:

"(b) Sections 1 to 9 with respect to Metro II are effective on the first day of the month next following certification by the executive director of the public employees retirement association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Metro II employees under this article does not exceed the actuarial gain otherwise to be accrued by the public employees retirement association, as calculated by the consulting actuary retained by the legislative commission on pensions and retirement. The cost of the actuarial calculations must be borne by Metro II."

Page 10, after line 30, insert:

"Sec. 4. Minnesota Statutes 1998, section 275.70, subdivision 5, is amended to read:

Subd. 5. [SPECIAL LEVIES.] "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the

amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(4) to fund payments made to the Minnesota state armory building commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) for unreimbursed expenses related to flooding that occurred during the first half of calendar year 1997, as allowed by the commissioner of revenue under section 275.74, paragraph (b);

(6) for local units of government located in an area designated by the Federal Emergency Management Agency pursuant to a major disaster declaration issued for Minnesota by President Clinton after April 1, 1997, and before June 11, 1997, for the amount of tax dollars lost due to abatements authorized under section 273.123, subdivision 7, and Laws 1997, chapter 231, article 2, section 64, to the extent that they are related to the major disaster and to the extent that neither the state or federal government reimburses the local government for the amount lost;

(7) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(8) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 1997, or (ii) it is a new matching requirement that didn't exist prior to 1998;

(9) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the emergency services division of the state department of public safety, as allowed by the commissioner of revenue under section 275.74, paragraph (b);

(10) for the amount of tax revenue lost due to abatements authorized under section 273.123, subdivision 7, for damage related to the tornadoes of March 29, 1998, to the extent that neither the state or federal government provides reimbursement for the amount lost;

(11) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year; and

(12) to pay an abatement under section 469.1815; and

(13) to pay the employer contribution to the local government correctional service retirement plan under section 353E.03, subdivision 2, to the extent that the employer contribution exceeds 5.49 percent of total salary."

Page 24, line 2, delete "7 and 9 to 19" and insert "8 and 10 to 20"

Page 24, line 3, delete "8" and insert "9"

Page 24, line 13, after "levy" insert "an"

Page 24, line 36, after "increase" insert "payable"

Page 25, line 9, after "adjustment" insert "under this section"

Page 46, line 22, after "accounts," insert "whichever applies,"

Page 46, line 29, after "retirement." insert "The retention election must apply to both consolidation accounts if the municipality is associated with more than one consolidation account."

Page 47, line 1, delete "is" and insert "are"

Page 48, line 9, after "elect" insert "the"

Page 49, line 8, after "that" insert "has"

Page 49, line 10, after "and" insert "who"

Page 50, line 12, after "negative." insert "If a municipality is associated with two consolidation accounts and one has an account funding surplus and one has an account unfunded accrued liability in the preliminary calculation under this paragraph, the actuary must make a second calculation for the account with a preliminary account unfunded accrued liability, after crediting to that account an amount up to 75 percent of the one-half of the market value of the assets of the account with an account funding surplus that are in excess of 100 percent of the account actuarial accrued liability and that are less than that percentage of the total actuarial accrued liability that equals the public employees police and fire fund funded ratio as of June 30, 1999, but not to exceed the account's unfunded actuarial accrued liability."

Page 51, line 14, after "account." insert "Before the residual asset amount payment is made by the public employees retirement association, the governing body of the applicable municipality, following a public hearing on the issue, must formulate and adopt a plan for the expenditure of the residual amount and must file that plan in the form of a municipal resolution with the state auditor."

Page 51, line 32, after "(d)," insert "after the preliminary calculation or the second calculation, whichever applies,"

Page 52, line 11, before "fund" insert "public employees police and fire"

Page 65, line 26, after "10," insert "11," and after "12," insert "13,"

Page 65, line 29, delete "13" and insert "14"

Page 71, after line 25, insert:

"Section 1. Minnesota Statutes 1998, section 354.66, subdivision 5, is amended to read:

Subd. 5. [OTHER MEMBERSHIP PRECLUDED.] A teacher entitled to full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in or make employee contributions to any other Minnesota public employee pension plan, except the plan established in chapter 3A, the plan established in chapter 352D if the teacher also is a legislator, or a volunteer firefighters' relief association governed by sections 69.771 to 69.776."

Page 72, line 4, after "1970;" insert "and"

Page 72, line 11, after "service" insert "credit"

Page 73, line 4, before "classification" insert "the"

Page 73, lines 14, 22, and 24, after "786" insert "(Bertha-Hewitt)"

Page 75, lines 11 and 15, delete "January" and insert "July"

Page 77, line 11, delete "each" and insert "the"

Page 77, line 23, delete "(Hopkins)" and insert ", Hopkins,"

Page 77, line 30, delete "payments" and insert "payment"

Page 77, line 31, after "date" insert "of this section"

Page 80, line 31, before "Sections" insert "Section 1 is effective on January 2, 2001." and delete "1 to 9" and insert "2 to 10"

Page 85, line 2, delete the comma and insert "and"

Page 85, line 12, delete "(a)" and insert "(i)"

Page 85, line 13, delete "(b)" and insert "(ii)"

Page 85, line 14, delete "(c)" and insert "(iii)"

Page 85, line 15, delete "(d)" and insert "(iv)"

Page 86, line 14, after "standards" insert "and"

Page 87, line 26, delete "and"

Page 87, line 28, after "423B" insert "; and

(15) public employees local government correctional service retirement plan, established under chapter 353E"

Page 88, after line 1, insert:

"ARTICLE 12  
ANNUITY LIMITS

Section 1. Minnesota Statutes 1998, section 356.61, is amended to read:

356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan is entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds 1/12 of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

The benefit limitation is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.

The maximum annual benefit for any limitation year is the lesser of (1) or (2) below:

(1) A dollar limitation of \$90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.

(2) A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which give the highest average. Compensation means any compensation which is includable in the employee's gross income, plus any elective deferral as defined in section 402(g)(3) of the federal Internal Revenue Code of 1986, as amended through May 15, 1999, and any amount which was contributed or deferred by the employer at the election of the employee and which is not includable in the gross income of the employee by reason of section 125 or 457 of the federal Internal Revenue Code.

A benefit is deemed not to exceed the maximum benefit limitation if:

(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not exceed the \$10,000 limit set in section 415(b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and

(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation must not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable must be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans must be totaled in determining whether or not the limitation applies. A reduction in the amount of the retirement annuity or disability benefit required under this section is made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Page 93, line 14, after "2," insert "3, 4,"

Page 100, line 19, after "percent" insert "of covered salary"

Page 112, after line 16, insert:

"Sec. 16. [REPEALER.]

Sections 1 to 13 are repealed on May 16, 2002."

Page 112, delete lines 23 to 32 and insert:

"(b) A teacher who retires on or before May 16, 1999, is not eligible to purchase service credit under the provisions of this article. A teacher who has rendered teaching service after May 16, 1999, and who has filed an application for retirement that is effective on or before July 1, 1999, may purchase service credit under this article on or before September 1, 1999, notwithstanding that the person is not a teacher rendering active teaching service on the date of the payment. Payment must be received on or before September 1, 1999. If this payment is received on or after the effective date of retirement, the increased benefit resulting from the purchase is effective on the first day of the month following the month during which payment is received."

Page 120, line 30, after "thereafter" insert a comma

Page 128, line 15, before "the" insert "from the general state employees retirement plan or the unclassified state employees retirement program of"

Page 128, line 16, after "teacher" insert "retirement"

Page 129, line 29, after "general" insert "state"

Page 132, line 22, strike "college" and insert "colleges"

Page 132, line 23, strike "university" and insert "universities"

Page 135, line 19, before "Investment" insert "federal"

Page 135, line 20, after "80b-21;" insert "and"

Page 141, delete lines 28 to 33

Page 141, line 35, delete "Sections 1 and 2 are" and insert "Section 1 is"

Page 141, after line 36, insert:

#### "ARTICLE 21

#### KANDIYOHI COUNTY AND LITCHFIELD CITY VOLUNTEER RESCUE SQUAD MEMBERS ADDED TO PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 1998, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) Eligibility to participate in the defined contribution plan is available to:

(1) elected local government officials of a governmental subdivision who elect to participate in the plan under section 353D.02, subdivision 1, and who, for the elected service rendered to a governmental subdivision, are not members of the public employees retirement association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7; ~~and~~

(3) basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate under section 353D.02, subdivision 3; and

(4) members of a municipal rescue squad associated with Litchfield in Meeker county, or of a county rescue squad associated with Kandiyohi county, if an independent nonprofit rescue squad



corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was elected by the public-at-large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff.

(c) Elected local government officials, physicians, and first response personnel and emergency medical service personnel, and rescue squad personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

(d) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 2. Minnesota Statutes 1998, section 353D.02, is amended by adding a subdivision to read:

Subd. 4. [ELIGIBLE RESCUE SQUAD PERSONNEL.] The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual begins to provide service to the rescue squad, whichever is later. Elections under this subdivision by a government unit or individual are irrevocable. The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the election under this subdivision.

Sec. 3. Minnesota Statutes 1998, section 353D.03, subdivision 3, is amended to read:

Subd. 3. [AMBULANCE SERVICE, RESCUE SQUAD PERSONNEL CONTRIBUTION.] A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel who individually elect to participate. Personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel, or a municipality or county making contributions on behalf of rescue squad members who are volunteers or largely uncompensated personnel, may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service or rescue squad service contributions, as applicable.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective on the day following final enactment."

Pages 142 to 146, delete article 20 and insert:

## "ARTICLE 20

### PUBLIC PENSION FACILITIES

Section 1. Minnesota Statutes 1998, section 3.751, subdivision 1, is amended to read:

Subdivision 1. [WAIVER OF IMMUNITY.] When a controversy arises out of a contract for work, services, the delivery of goods, or debt obligations of the state incurred under article XI of the Minnesota Constitution, or revenue obligations of a retirement fund incurred under section

356.89 entered into by a state agency through established procedure, in respect to which controversy a party to the contract would be entitled to redress against the state in a court, if the state were suable, and no claim against the state has been made in a bill pending in the legislature for the same redress against it, the state waives immunity from suit in connection with the controversy and confers jurisdiction on the district court to determine it in the manner provided for civil actions in the district court. Only a party to the contract may bring action against the state.

Sec. 2. Minnesota Statutes 1998, section 353.03, subdivision 4, is amended to read:

Subd. 4. [OFFICES.] The commissioner of administration shall make provision for suitable office space in the state capitol or other state office buildings, or at such other location ~~in St. Paul~~ as is determined by the commissioner for the use of the board of trustees and its executive director. The commissioner shall give the board at least four months notice for any proposed removal from their present location. Any and all rental charges shall be paid by the trustees from the public employees retirement fund.

Sec. 3. [356.89] [PUBLIC PENSION FACILITIES.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Boards" mean the board of directors of the Minnesota state retirement system, the board of trustees of the public employees retirement association, and the board of trustees of the teachers retirement association.

(c) "Commissioner" means the commissioner of administration.

Subd. 2. [BUILDING; RELATED FACILITIES.] (a) The commissioner of administration may provide a building and related facilities to be jointly occupied by the board of directors of the Minnesota state retirement system, the board of trustees of the public employees retirement association, and the board of trustees of the teachers retirement association for the administration of their public pension systems.

(b) Design of the facilities is not subject to section 16B.33. The competitive acquisition process set forth in chapter 16C does not apply if the process set forth in subdivision 3 is followed.

(c) The boards and the commissioner must submit the plans for a public pension facility under this section to the chair of the house ways and means committee and to the chair of the senate state government finance committee for their approval before the plans are implemented.

Subd. 3. [CONTRACTING PROCEDURES.] (a) The commissioner may enter into a contract for facilities with a contractor to furnish the architectural, engineering, and related services as well as the labor, materials, supplies, equipment, and related construction services on the basis of a request for qualifications and competitive responses received through a request for proposals process that must include the items listed in paragraphs (b) to (i).

(b) Before issuing a request for qualifications and a request for proposals, the commissioner, with the assistance of the boards, shall prepare performance criteria and specifications that include:

(1) a general floor plan or layout indicating the general dimensions of the public building and space requirements;

(2) design criteria for the exterior and site area;

(3) performance specifications for all building systems and components to ensure quality and cost efficiencies;

(4) conceptual floor plans for systems space;

(5) preferred types of interior finishes, styles of windows, lighting and outlets, doors, and features such as built-in counters and telephone wiring;

- (6) mechanical and electrical requirements;
- (7) special interior features required; and
- (8) a completion schedule.

(c) The commissioner shall first solicit statements of qualifications from eligible contractors and select more than one qualified contractor based upon experience, technical competence, past performance, capability to perform, and other appropriate facts. Contractors selected under this process must be, employ, or have as a partner, member, coventurer, or subcontractor, persons licensed and registered under chapter 326 to provide the services required to design and complete the project. The commissioner does not have to select any of the respondents if none reasonably fulfill the criteria set forth in this paragraph.

(d) The contractors selected shall be asked to respond to a request for proposals. Responses must include site plans, design concept, elevation, statement of material to be used, floor layouts, a detailed development budget, and a total cost to complete the project. The proposal must indicate that the contractor obtained at least two proposals from subcontractors for each item of work and must set forth how the subcontractors were selected. The commissioner, with the assistance of the boards, shall evaluate the proposals based upon design, cost, quality, aesthetics, and the best overall value to the state pension funds. The commissioner need not select any of the proposals submitted and reserves the right to reject any and all proposals, and may terminate the process or revise the request for proposals and solicit new proposals if the commissioner determines that the best interests of the pension funds would be better served by doing so. Proposals submitted are nonpublic data until the contract is awarded.

(e) The contractor selected must comply with sections 574.26 to 574.261. Before executing a final contract, the contractor selected shall certify a firm construction price and completion date.

(f) The commissioner may consider building sites in the city of St. Paul and surrounding suburbs.

(g) Any land, building, or facility leased, constructed, or acquired and any leasehold interest acquired under this section must be held by the state in trust for the three retirement systems as tenants in common. Each retirement system fund must consider its interest as a fixed asset of its pension fund in accordance with governmental accounting standards.

(h) The commissioner may lease to another governmental subdivision any portion of the funds' building and lands that is not required for their direct use upon terms and conditions they deem to be in the best interest of the pension funds. Any income accruing from the rentals must be separately accounted for and utilized to offset ongoing administrative expenses and any excess must be carried forward for future administrative expenses. The commissioner may also enter into lease agreements for the establishment of satellite offices should the boards find them to be necessary in order to assure their members reasonable access to their services. The commissioner may lease under section 16B.24 any portion of the facilities not required for the direct use of the boards.

(i) The boards shall formulate and adopt a written working agreement that sets forth the nature of each retirement system's ownership interest, the duties and obligations of each system toward the construction, operation, and maintenance costs of its facilities, and identifies one retirement fund to serve as manager for operating and maintenance purposes. The boards may contract with independent third parties for maintenance-related activities, services, and supplies, and may use the services of the department of administration where economically feasible to do so. If the boards cannot agree or resolve a dispute about operations or maintenance of the facilities, they may request the commissioner of administration to appoint a representative from the department's real estate management division to serve as arbitrator of the dispute with authority to issue a written resolution of the dispute.

Subd. 4. [REVENUE BONDS.] The commissioner of finance, on request of the governor, may sell and issue revenue bonds in an aggregate principal amount up to \$38,000,000 to achieve the

purposes described in subdivisions 1 and 2, plus the amount needed to pay issuance costs and interest costs and to establish necessary reserves to secure the bonds. The commissioner of finance may issue bonds for the purpose of refunding bonds issued under this subdivision. The bonds may be sold and issued on terms and in a manner the commissioner of finance determines to be in the best interests of the state. The proceeds of the bonds must be credited to a bond proceeds account in the pension building fund, which the commissioner of finance must create in the state treasury.

Subd. 5. [SECURITY.] The boards may pledge any or all assets of the boards as security for the bonds. The bonds and the interest on them must be paid solely from and secured by all assets of the boards pledged and appropriated for these purposes to the debt service fund created in subdivision 6 and any investment income thereon and any reserve established for this purpose. The bonds are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds and the interest on them must not be paid, directly or indirectly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege.

Subd. 6. [DEBT SERVICE FUND.] There is established in the state treasury a separate and special pension building debt service fund. Money in the funds managed by the boards is appropriated to the boards for transfer to the pension building debt service fund. Money appropriated and transferred to the fund and investment income thereon on hand or required to be transferred to the fund must be used and is irrevocably appropriated to pay when due the principal of and interest on the bonds authorized in subdivision 4.

Subd. 7. [COVENANTS; AGREEMENTS.] The commissioner of finance may, for and on behalf of the state, enter into covenants and agreements not inconsistent with subdivisions 1 to 6 as may be necessary or desirable to facilitate the sale and issuance of the bonds on terms favorable to the state, including, but not limited to, covenants and agreements relating to the payment of and security for the bonds, tax exemption, and disclosure of information required by federal and state securities laws. The covenants and agreements of the commissioner of finance constitute an enforceable contract of the state and the state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of the covenants or agreements made with the holders of the bonds, or in any way impair the rights and remedies of the holders until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any covenant or agreement with the holders of the bonds. Sections 16A.672 and 16A.675 apply to the bonds.

#### Sec. 4. [APPROPRIATION.]

\$38,000,000 is appropriated from the pension building fund created in Minnesota Statutes, section 356.89, to design, construct, furnish, and equip a new facility to be jointly occupied by the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association, as provided in section 356.89.

#### Sec. 5. [REPORT.]

The executive directors of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association must jointly report to the legislature by July 15, 2001, on a plan to consolidate administrative services for the three pension systems if the systems share a building.

#### Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Renumber the sections and articles in sequence

Amend the title as follows:

Page 2, line 17, after "authorizing" insert "the purchase or construction of an administration building for"

Page 2, lines 19 and 20, delete "to purchase or construct an administrative building"

Page 2, line 22, after "sections" insert "3.751, subdivision 1;"

Page 2, line 26, after "2;" insert "275.70, subdivision 5;"

Page 2, line 33, after "subdivision;" insert "353D.01, subdivision 2; 353D.02, by adding a subdivision; 353D.03, subdivision 3;"

Page 2, line 34, delete "subdivisions" and insert "subdivision" and delete "and 7"

Page 2, line 36, delete "and 3" and insert "3, and 5"

Page 2, line 42, after the first semicolon, insert "356.61;"

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

Senate Conferees: (Signed) Lawrence J. Pogemiller, Don Betzold, Roy W. Terwilliger

House Conferees: (Signed) Harry Mares, Stephen G. Wenzel

Senator Pogemiller moved that the foregoing recommendations and Conference Committee Report on S.F. No. 319 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Pursuant to Rule 22, Senator Price moved that he be excused from voting on all questions pertaining to S.F. No. 319. The motion prevailed.

Pursuant to Rule 22, Senator Krentz moved that she be excused from voting on all questions pertaining to S.F. No. 319. The motion prevailed.

Pursuant to Rule 22, Senator Olson moved that she be excused from voting on all questions pertaining to S.F. No. 319. The motion prevailed.

Pursuant to Rule 22, Senator Johnson, D.J. moved that he be excused from voting on all questions pertaining to S.F. No. 319. The motion prevailed.

The question was taken on the adoption of the Pogemiller motion. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 319 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 369 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 369**

A bill for an act relating to health occupations; permitting physician assistants to render care in disasters without physician and physician assistant agreements; proposing coding for new law in Minnesota Statutes, chapter 147A.

May 14, 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. 369, 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. 369 be further amended as follows:

Page 1, line 10, delete "another" and insert "a United States"

Page 1, line 13, after "provide" insert ", under the physician assistant's license, registration, or credential,"

Page 1, line 19, after the period, insert "The physician assistant must establish a temporary supervisory agreement with an emergency medical director before rendering care."

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

Senate Conferees: (Signed) Pat Piper, Arlene J. Lesewski, Leo T. Foley

House Conferees: (Signed) Betty McCollum, Jim Abeler, Richard Mulder

Senator Piper moved that the foregoing recommendations and Conference Committee Report on S.F. No. 369 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. 369 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

Stumpf  
Ten Eyck

Terwilliger  
Vickerman

Wiener

Wiger

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. 685 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 685

A bill for an act relating to telecommunications; deregulating coin-operated or public pay telephones under state law; authorizing the public utilities commission to assess administrative penalties for anticompetitive activities by telecommunication providers; amending Minnesota Statutes 1998, section 237.5799; proposing coding for new law in Minnesota Statutes, chapter 237.

May 15, 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. 685, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 685 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [237.036] [COIN-OPERATED OR PUBLIC PAY TELEPHONES.]

(a) Neither commission approval nor a commission certificate is required to:

(1) site a coin-operated or public pay telephone in the state; or

(2) implement changes in service, services offered, rates, or location regarding a coin-operated or public pay telephone. Registration under section 237.64 is required to own or operate a coin-operated or public pay telephone in the state.

(b) This section does not change the authority of other state or local government entities to regulate aspects of coin-operated or public pay telephone ownership, location, or operation; however, an entity may not regulate aspects of these services that it did not regulate prior to the effective date of this section. The commission shall retain the authority delegated to it under federal and state law to protect the public interest with regard to coin-operated or public pay telephones.

(c) Owners and operators of coin-operated or public pay telephones are exempt from sections 237.06, 237.07, 237.075, 237.09, 237.23, 237.295, and 237.39 and the annual reporting requirement of section 237.11.

(d) Owners of coin-operated or public pay telephones shall:

(1) provide immediate coin-free access, to the extent technically feasible, to 911 emergency service or to another approved emergency service; and

(2) provide free access to the telecommunications relay service for the communication impaired.

(e) Owners of coin-operated or public pay telephones must post at each coin-operated or public pay telephone location:

(1) customer service and complaint information, including the name, address, and telephone number of the owner of the coin-operated or public pay telephone and the operator service handling calls from the coin-operated or public pay telephone; a toll-free number of the appropriate telephone company for the resolution of complaints; and the toll-free number of the public utilities commission; and

(2) a toll-free number at which consumers can obtain pricing information regarding rates, charges, terms, and conditions of local and long-distance calls.

Sec. 2. [237.462] [COMPETITIVE ENFORCEMENT; ADMINISTRATIVE PENALTIES TO PROMOTE AND PROTECT LOCAL TELEPHONE COMPETITION.]

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] After a proceeding under section 237.081, the commission may issue an order administratively assessing monetary penalties for knowing and intentional violations of:

(1) sections 237.09, 237.121, and 237.16 and any rules adopted under those sections;

(2) any standards, limitations, or conditions established in a commission order pursuant to sections 237.09, 237.121, and 237.16;

(3) an approved interconnection agreement if the violation is material; and

(4) any duty or obligation of a telephone company, a telecommunications carrier, or a telecommunications provider imposed upon such telephone company, telecommunications carrier, or telecommunications provider by section 251, paragraph (a), (b), or (c) of the Telecommunications Act of 1996 that relates to service provided in the state. The penalty order must be issued as provided in this section.

Subd. 2. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commission may issue an order assessing a penalty of between \$100 and \$10,000 per day for each violation.

(b) In determining the amount of a penalty, the commission shall consider:

(1) the willfulness or intent of the violation;

(2) the gravity of the violation, including the harm to customers or competitors;

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

(4) the number of violations;

(5) the economic benefit gained by the person committing the violation;

(6) any corrective action taken or planned by the person committing the violation;

(7) the annual revenue and assets of the company committing the violation, including the assets and revenue of any affiliates that have 50 percent or more common ownership or that own more than 50 percent of the company;

(8) the financial ability of the company, including any affiliates that have 50 percent or more common ownership or that own more than 50 percent of the company, to pay the penalty; and

(9) other factors that justice may require, as determined by the commission. The commission shall specifically identify any additional factors in the commission's order.

Subd. 3. [BURDEN OF PROOF.] The commission may not assess a penalty under this section



unless the record in the proceeding establishes by a preponderance of the evidence that the penalty is justified based on the factors identified in subdivision 2.

Subd. 4. [CONTENTS OF ORDER.] An order assessing an administrative penalty under this section shall include:

- (1) a concise statement of the facts alleged to constitute a violation;
- (2) a reference to the section of the statute, rule, or order that has been violated;
- (3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and
- (4) a statement of the person's right to review of the order.

Subd. 5. [PENALTY STAYED.] A penalty imposed under this section shall not be payable sooner than 31 days after the commission issues its final order assessing the penalty. The person subject to the penalty may appeal the commission's penalty order under sections 14.63 to 14.68. If the person does appeal the commission's penalty order, the penalty shall not be payable until either all appeals have been exhausted or the person withdraws the appeal.

Subd. 6. [EXPEDITED PROCEEDING.] (a) The commission may order an expedited proceeding under section 237.61 and this subdivision, in lieu of a contested case under chapter 14, to develop an evidentiary record in any proceeding that involves contested issues of material fact either upon request of a party or upon the commission's own motion if the complaint alleges a violation described in subdivision 1, clauses (1) to (4). The commission may order an expedited proceeding under this subdivision if the commission finds an expedited proceeding is in the public interest, regardless of whether all parties agree to the expedited proceeding. In determining whether to grant an expedited proceeding, the commission may consider any evidence of impairment of the provision of telecommunications service to subscribers in the state or impairment of the provision of any service or network element subject to the jurisdiction of the commission.

(b) Any request for an expedited proceeding under this subdivision must be noted in the title of the first filing by a party. The filing shall also state the specific circumstances that the party believes warrant an expedited proceeding under this subdivision.

(c) A complaint requesting an expedited proceeding, unless filed by the department of public service or the attorney general, must set forth the actions and the dates of the actions taken by the party filing the complaint to attempt to resolve the alleged violations with the party against whom the complaint is filed, including any requests that the party against whom the complaint is filed correct the conduct giving rise to the violations alleged in the complaint. If no such actions were taken by the complainant, the complaint shall set forth the reasons why no such actions were taken. The commission may order an expedited proceeding even if the filing complaint fails to meet this requirement if the commission determines that it would be in the public interest to go forward with the expedited proceeding without information in the complaint on attempts to resolve the dispute.

(d) The complaining party shall serve the complaint along with any written discovery requests by hand delivery and facsimile on the party against whom the complaint is filed, the department of public service, and the office of the attorney general on the same day the complaint is filed with the commission.

(e) The party responding to a complaint that includes a request for an expedited proceeding under this subdivision shall file an answer within 15 days after receiving the complaint. The responding party shall state in the answer the party's position on the request for an expedited proceeding. The responding party shall serve with the answer any objections to any written discovery requests as well as any written discovery requests the responding party wishes to serve on the complaining party. Except for stating any objections, the responding party is not required to answer any written discovery requests under this subdivision until a time established at a prehearing conference. The responding party shall serve a copy of the answer and any discovery

requests and objections on the complaining party, the department of public service, and office of the attorney general by hand delivery and facsimile on the same day as the answer is filed with the commission.

(f) Within 15 days of receiving the answer to a complaint in a proceeding in which a party has requested an expedited hearing, the commission shall determine whether the filing warrants an expedited proceeding. If the commission decides to grant a request by a party or if the commission orders an expedited proceeding on its own motion, the commission shall conduct within seven days of the decision a prehearing conference to schedule the evidentiary hearing. During the prehearing conference, the commission shall establish a discovery schedule that requires all discovery to be completed no later than three days before the start of the hearing. An evidentiary hearing under this subdivision must commence no later than 45 days after the commission's decision to order an expedited proceeding. A quorum of the commission shall preside at any evidentiary hearing under this subdivision unless all the parties to the proceeding agree otherwise.

(g) All pleadings submitted under this subdivision must be verified and all oral statements of fact made in a hearing or deposition under this subdivision must be made under oath or affirmation.

(h) The commission shall issue a written decision and final order on the complaint within 15 days after the close of the evidentiary hearing under this subdivision. On the day of issuance, the commission shall notify the parties by facsimile that a final order has been issued and shall provide each party with a copy of the final order.

(i) The commission may extend any time periods under this subdivision if all parties to the proceeding agree to the extension or if the commission finds the extension is necessary to ensure a just resolution of the complaint.

(j) Except as otherwise provided in this subdivision, an expedited proceeding under this subdivision shall be governed by the following procedural rules:

(1) the parties shall have the discovery rights provided in Minnesota Rules, parts 1400.6700 to 1400.7000;

(2) the parties shall have the right to cross-examine witnesses as provided in section 14.60, subdivision 3;

(3) the admissibility of evidence and development of record for decision shall be governed by section 14.60 and Minnesota Rules, part 1400.7300; and

(4) the commission may apply other procedures or standards included in the rules of the office of administrative hearings, as necessary to ensure the fair and expeditious resolution of disputes under this section.

Subd. 7. [TEMPORARY RELIEF PENDING DISPUTE RESOLUTION.] (a) A person filing a complaint may include in the complaint a request that the commission issue an order granting temporary relief under paragraph (c) if the complaint alleges a violation described in subdivision 1, clauses (1) to (4). Any request for temporary relief under this subdivision must be noted in the title of the complaint. The complaining party shall provide a copy of the complaint requesting temporary relief by hand delivery and facsimile to the party alleged to be in violation on the same day a complaint requesting such relief is filed with the commission. The commission shall issue a decision upon such a request within 20 days of the filing of the complaint.

(b) The commission may also order temporary relief on its own motion for an alleged violation of one or more of the provisions of subdivision 1, clauses (1) to (4), in accordance with this subdivision.

(c) After notice and an opportunity for comment, the commission may grant an order for temporary relief under this subdivision upon a verified factual showing that:

(1) the party seeking relief will likely succeed on the merits;

- (2) the order is necessary to protect the public's interest in fair and reasonable competition; and
- (3) the relief sought is technically feasible.

An order for temporary relief must include a finding that the requirements of this subdivision have been fulfilled.

(d) In an order granting temporary relief, the commission shall require the responding party to act or refrain from acting as the commission deems necessary to avoid, prevent, or mitigate the complained-of harm to subscribers or local exchange telephone service providers resulting from the alleged violation of one or more of the provisions in subdivision 1, clauses (1) to (4). The commission must give the responding party a reasonable period of time to comply with the order.

(e) A party may seek review, reconsideration, or rehearing of a temporary relief order prior to a final decision on the complaint by the commission.

(f) If there is a material issue of fact and the commission issues an order based on written pleadings without an evidentiary hearing, the order may not remain in effect for more than 30 days prior to which time the commission shall hold an evidentiary hearing to determine whether the order for temporary relief should be continued, modified, or reversed. Otherwise, an order for temporary relief shall remain in effect until a final order is issued by the commission unless the commission or a court issues an order or decision reversing the order for temporary relief.

Subd. 8. [ENFORCEMENT.] The attorney general, on behalf of the state, may proceed to enforce and collect penalties that are due and payable under this section in any manner provided to the attorney general by other law.

Subd. 9. [CUMULATIVE REMEDIES.] The attorney general may not seek civil penalties under section 237.461 for the same violations for which the commission has issued an order imposing administrative monetary penalties under this section. The imposition of administrative penalties in accordance with this section is in addition to all other remedies available under statutory or common law. The payment of a penalty does not preclude the use of other enforcement provisions, under which penalties are not assessed, in connection with the violation or violations for which the penalty was assessed.

Subd. 10. [PENALTY PROCEEDS DEPOSITED IN GENERAL FUND.] The proceeds of any penalty assessed under this section paid to the state shall be deposited in the general fund.

Subd. 11. [PRIVATE REMEDIES.] Nothing in this section affects the ability of a telephone company, telecommunications provider, telecommunications carrier, or subscriber to bring a private cause of action in court against a provider of local exchange telephone service based on conduct for which a penalty is imposed under this section.

Subd. 12. [APPLICATION.] This section applies to any telecommunications provider, telephone company, or telecommunications carrier that offers local exchange telephone service within the service territory of a telephone company with 50,000 subscribers or more, regardless of where the violation occurs.

Sec. 3. Minnesota Statutes 1998, section 237.461, subdivision 2, is amended to read:

Subd. 2. [CIVIL PENALTY.] A person who knowingly and intentionally violates a provision of this chapter or rule or order of the commission adopted under this chapter shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of at least \$100 and not more than \$5,000 for each day of each violation. The civil penalties provided for in this section may be recovered by a civil action brought by the attorney general in the name of the state. Amounts recovered under this section must be paid into the state treasury.

Sec. 4. Minnesota Statutes 1998, section 237.461, is amended by adding a subdivision to read:

Subd. 3. [CIVIL PENALTY FOR LOCAL COMPETITION VIOLATIONS.] Notwithstanding subdivision 2, a person who knowingly and intentionally commits a violation described in section

237.462, subdivision 1, clauses (1) to (4), shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of at least \$100 and not more than \$55,000 for each day of each violation. In determining the amount of the penalty under this subdivision, the court shall consider the factors in section 237.462, subdivision 2, paragraph (b).

Sec. 5. Minnesota Statutes 1998, section 237.461, is amended by adding a subdivision to read:

Subd. 4. [CIVIL PENALTY ACTION; TREASURY.] The civil penalties provided for in this section may be recovered by a civil action brought by the attorney general in the name of the state. Amounts recovered under this section must be paid into the state treasury.

Sec. 6. Minnesota Statutes 1998, section 237.5799, is amended to read:

237.5799 [EXPIRATION OF COMPETITIVE SERVICE LAWS.]

Sections 237.58, 237.59, 237.60, subdivisions 1, 2, and 5, 237.61, 237.62, and 237.625, 237.63, 237.64, 237.65, and 237.68 expire on August 1, 1999.

Sec. 7. [SUNSET.]

Sections 2 and 4 and Minnesota Statutes 1998, sections 237.63, 237.65, and 237.68, expire on December 31, 2004.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Sections 2 and 4 do not apply to dockets pending on the date of enactment."

Delete the title and insert:

"A bill for an act relating to telecommunications; deregulating coin-operated or public pay telephones under state law; authorizing the public utilities commission to assess administrative penalties for anticompetitive activities by telecommunication providers; amending Minnesota Statutes 1998, sections 237.461, subdivision 2, and by adding subdivisions; and 237.5799; proposing coding for new law in Minnesota Statutes, chapter 237."

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

Senate Conferees: (Signed) Steve Kelley, Steven G. Novak, Mark Ourada

House Conferees: (Signed) Ken Wolf, Bob Gunther, Phil Carruthers

Senator Kelley, S.P. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 685 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. 685 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	Fischbach	Johnson, D.H.	Knutson	Marty
Belanger	Flynn	Johnson, D.J.	Krentz	Metzen
Berg	Foley	Johnson, J.B.	Laidig	Moe, R.D.
Berglin	Hanson	Junge	Langseth	Murphy
Betzold	Higgins	Kelley, S.P.	Larson	Neuville
Cohen	Hottinger	Kelly, R.C.	Lesewski	Novak
Day	Janezich	Kierlin	Limmer	Oliver
Dille	Johnson, D.E.	Kleis	Lourey	Olson

Ourada  
Pariseau  
Piper  
Pogemiller  
Ranum

Robertson  
Robling  
Runbeck  
Sams  
Samuelson

Scheevel  
Scheid  
Spear  
Stevens  
Stumpf

Ten Eyck  
Terwilliger  
Vickerman  
Wiener  
Wiger

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 adopted the recommendation and report of the Conference Committee on Senate File No. 2221, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 2221:** A bill for an act relating to crime prevention and judiciary finance; appropriating money for the judicial branch, public safety, corrections, public defense, human rights, crime victims, and related purposes; establishing grant programs, task forces, and pilot projects; requiring reports and studies; increasing the number of judges; transferring responsibility for the office of drug policy and violence prevention, the Asian-Pacific juvenile crime intervention and prevention grant program, the juvenile weekend program at Camp Ripley, and the operation and maintenance of the state land and buildings that compose MCF-Sauk Centre; increasing the membership and expanding the duties of the criminal and juvenile justice policy group; authorizing a lease-purchase agreement for a northern satellite laboratory facility and additional work related to a new facility in St. Paul for the bureau of criminal apprehension; clarifying and expanding certain criminal and civil penalties; establishing a work program for certain repeat DWI offenders and repealing the existing work program for nonviolent offenders; requiring counties to pay the costs of placing juvenile females at Minnesota correctional facility-Sauk Centre; requiring the department of corrections to submit an annual performance report; imposing criminal penalties for persons taking responsibility for criminal acts; providing for sanction conference procedures to dispose of technical violations of probation; providing a posttraumatic stress syndrome benefit; providing for recovery of damages when there is an unauthorized release of animals; privatizing the educational program at Minnesota correctional facility-Red Wing; making certain changes related to part-time peace officers; requiring policies and training and making certain other changes related to police pursuits; increasing the state's fiscal responsibility for certain persons prior to civil commitment; establishing requirements relating to out-of-home placements of juveniles; providing for state funding of certain programs and personnel; providing for state funding of court administration costs in specified judicial districts; establishing collective bargaining provisions for court employees; extending the sunset date for a juvenile records provision; requiring that the continued operation of the new Rush City prison beyond July 1, 2001, be specifically authorized by law; amending Minnesota Statutes 1998, sections 2.722, subdivision 1; 3.739, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 119A.26; 119A.28, subdivisions 2 and 3; 119A.29, subdivision 1; 119A.31, subdivision 3; 119A.32; 119A.33; 119A.34, subdivisions 3 and 4; 169.121, subdivisions 3, 3e, and by adding subdivisions; 169.129, subdivision 2; 179A.03, subdivisions 7, 14, 15, and by adding a subdivision; 179A.06, subdivision 2; 179A.10, subdivision 4; 179A.12, subdivision 4; 179A.22, subdivisions 2 and 3; 241.016; 242.192; 243.05, subdivision 1; 243.50; 244.052, subdivision 1, and by adding a subdivision; 244.19, subdivision 3a; 253B.185, by adding a subdivision; 253B.23, subdivisions 1 and 8; 256.01, subdivision 2; 256.486, subdivisions 1 and 2; 257.69, subdivision 2; 260.151, subdivision 3; 260.161, subdivision 1; 260.181, by adding a subdivision; 260.185, by adding a subdivision; 260.251, subdivisions 2 and 5; 260.56; 299C.65, subdivisions 2, 5, and by adding subdivisions; 340A.415; 340A.703; 346.56; 346.56; 466.01, subdivision 6; 480.181, subdivision 1; 484.64,

subdivision 3; 484.65, subdivision 3; 485.018, subdivisions 2 and 6; 485.03; 485.27; 487.02, subdivision 2; 487.10, subdivision 4; 518.165, subdivision 3; 546.13; 546.44, subdivision 3; 563.01, subdivisions 2, 9, and 10; 609.035, subdivisions 1, 2, and by adding a subdivision; 609.135, subdivisions 1 and 2; 609.495, by adding a subdivision; 609.531, subdivision 1; 609.5315, by adding a subdivision; 611.33, subdivision 3; 626.5532, subdivision 1; 626.845, subdivision 1; 626.8462; 626.8463, subdivision 1; and 626.8465, subdivision 2; Laws 1997, chapter 85, article 3, section 53; proposing coding for new law in Minnesota Statutes, chapters 179A; 241; 243; 244; 260; 299A; 299L; 401; 480; and 626; repealing Minnesota Statutes 1998, sections 119A.04, subdivision 5; 241.277; 256D.05, subdivisions 3 and 3a; 357.021, subdivision 2a; 401.02, subdivision 5; 563.01, subdivision 1; 609.113; 626.5532, subdivision 2; and 626.8463, subdivision 2; Laws 1997, chapter 238, section 4.

Senate File No. 2221 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. 1721, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1721:** A bill for an act relating to public employees; ratifying certain labor agreements and compensation plans; providing for transfer of vacation and sick leave for certain employees; modifying per diem provision for special mediators; modifying procedures for the listing of arbitrators; exempting epidemiologists from a salary cap; making technical changes; amending Minnesota Statutes 1998, sections 3.096; 43A.17, subdivision 4; 179.02, subdivision 2; 179A.03, subdivision 14; 179A.04, subdivision 3; 179A.10, subdivision 1; and 179A.16, subdivision 2; repealing Minnesota Statutes 1998, section 43A.17, subdivision 12.

Senate File No. 1721 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. 145, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 145:** A bill for an act relating to ethics in government; clarifying and simplifying the law related to lobbyist registration, conflicts of interest, and campaign finance; eliminating invalid provisions; amending Minnesota Statutes 1998, sections 10A.01; 10A.02, as amended; 10A.03; 10A.04; 10A.05; 10A.06; 10A.065, subdivisions 1, 1a, and 3; 10A.08; 10A.09; 10A.10; 10A.11; 10A.12; 10A.13; 10A.14; 10A.15; 10A.16; 10A.17; 10A.18; 10A.19; 10A.20; 10A.22, subdivisions 6 and 7; 10A.23; 10A.24; 10A.241; 10A.242; 10A.25; 10A.255, subdivisions 1 and 3; 10A.265; 10A.27; 10A.275, subdivision 1; 10A.28; 10A.29; 10A.30, subdivision 1; 10A.31; 10A.315; 10A.321; 10A.322; 10A.323; 10A.324, subdivisions 1 and 3; 10A.34; 200.02, by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1998, sections 10A.065, subdivision 5; 10A.22, subdivisions 1, 4, and 5; 10A.255, subdivision 2; 10A.275, subdivisions 2 and 3; 10A.324, subdivisions 2 and 4; 10A.325; 10A.335; 10A.40; 10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51.

Senate File No. 145 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. 1404, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1404:** A bill for an act relating to crime; providing criminal penalties for possessing and disseminating pornographic work depicting a minor; including computer-generated or computer-altered images within the definition of pornographic work; amending Minnesota Statutes 1998, sections 617.246, subdivisions 1, 2, 3, 4, and by adding a subdivision; and 617.247, subdivisions 1, 2, 3, 4, and by adding a subdivision.

Senate File No. 1404 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. 441, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 441:** A bill for an act relating to crime prevention; modifying the criminal penalties for certain crimes to provide more uniformity; creating a pretrial diversion program for writers of dishonored checks; amending Minnesota Statutes 1998, sections 332.50, subdivision 2; 609.52, subdivision 3; 609.535, subdivision 2a; 609.631, subdivision 4; and 609.821, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 628.

Senate File No. 441 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. 346, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 346:** A bill for an act relating to child custody; expanding provisions for relative ex parte temporary custody; amending Minnesota Statutes 1998, section 518.158, subdivisions 1 and 2.

Senate File No. 346 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 House File No. 2390 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2390 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1999

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 2390**

A bill for an act relating to state government; appropriating money for economic development and certain agencies of state government; establishing and modifying programs; regulating activities and practices; modifying fees; eliminating certain boards; transferring regulatory authority over health maintenance organizations and similar entities to the commissioner of commerce; making conforming changes; requiring reports; amending Minnesota Statutes 1998, sections 45.0295; 53A.03; 53A.05, subdivision 1; 60A.14, subdivision 1; 60A.23, subdivision 8; 60A.71, subdivision 7; 60B.02; 60B.03, subdivisions 2 and 4; 60B.15; 60B.20; 60G.01, subdivisions 2 and 4; 60K.06, subdivision 2; 62A.61; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding a subdivision; 62D.03, subdivisions 1, 3, and 4; 62D.04, subdivisions 1, 2, 4, and by adding a subdivision; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08, subdivisions 1, 2, 3, 4, and 5; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11, subdivisions 1b, 2, 3, and by adding a subdivision; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 3a and 7; 62D.14, subdivisions 1, 3, 4, 5, and 6; 62D.15, subdivisions 1 and 4; 62D.16, subdivisions 1 and 2; 62D.17, subdivisions 1, 3, 4, and 5; 62D.18, subdivisions 1 and 7; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivisions 4 and 10; 62D.24; 62D.30, subdivisions 1 and 3; 62L.02, subdivision 8; 62L.05, subdivision 12; 62L.08, subdivisions 10 and 11; 62M.11; 62M.16; 62N.02, subdivision 4; 62N.26; 62N.31, subdivision 1; 62Q.01, subdivision 2; 62Q.07; 62Q.075, subdivision 4; 62Q.105, subdivisions 6 and 7; 62Q.11; 62Q.22, subdivisions 2, 6, and 7; 62Q.32; 62Q.51, subdivision 3; 62Q.525, subdivision 3; 62R.04, subdivision 5; 62R.25; 62T.01, subdivision 4; 65B.48, subdivision 3; 70A.14, subdivision 4; 72A.139, subdivision 2; 72B.04, subdivision 10; 79.255, subdivision 10; 80A.28, subdivision 1; 82A.08, subdivision 2; 82A.16, subdivisions 2 and 6; 116J.415, subdivision 5; 116J.421, subdivision 3, and by adding subdivisions; 116J.63, subdivision 4; 116J.8745, subdivisions 1 and 2; 116L.03, subdivision 5; 116L.04, subdivision 1a; 116L.06, subdivision 4; 175.17; 176.181, subdivision 2a; 237.295, subdivision 1; 268.022, subdivision 1; 268.98, subdivision 3; 298.22, subdivision 2; 326.244, subdivision 2, and by adding a subdivision; 326.86, subdivision 1; 446A.072, subdivision 4; 462A.20, subdivision 2, and by adding a subdivision; 462A.204, by adding a subdivision; 462A.209; and 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116J; and 178; repealing Minnesota Statutes 1998, sections 44A.001; 44A.01; 44A.02; 44A.023; 44A.025; 44A.031; 44A.0311; 44A.06; 44A.08; 44A.11; 62D.18; 62L.11, subdivision 2; 62Q.45, subdivision 1; 138A.01; 138A.02; 138A.03; 138A.04; 138A.05; 138A.06; 341.01; 341.02; 341.04; 341.045; 341.05; 341.06; 341.07; 341.08; 341.09; 341.10; 341.11; 341.115; 341.12; 341.13; 341.15; 462A.28; 469.305; 469.306; 469.307; 469.308; and 469.31; Laws 1998, chapter 404, section 13, subdivision 5.

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. 2390, 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. 2390 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [ECONOMIC DEVELOPMENT; 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 "2000" and "2001," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2000, or June 30, 2001, respectively. The term "first year" means the fiscal year ending June 30, 2000, and "second year" means the fiscal year ending June 30, 2001.

## SUMMARY BY FUND

	1999	2000	2001	TOTAL
General	\$21,000	\$224,507,000	\$184,543,000	\$409,071,000
Petroleum Tank Cleanup		1,015,000	1,045,000	2,060,000
Environmental Fund		700,000	700,000	1,400,000
TANF		6,000,000	4,000,000	10,000,000
Trunk Highway		745,000	766,000	1,511,000
Workers' Compensation		22,217,000	22,439,000	44,656,000
Special Revenue		100,000	-0-	100,000
Workforce Development Fund		17,993,000	12,557,000	30,550,000
TOTAL	\$21,000	\$273,277,000	\$226,050,000	\$499,348,000

APPROPRIATIONS  
Available for the Year  
Ending June 30

2000	2001
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Sec. 2. TRADE AND ECONOMIC  
DEVELOPMENT

Subdivision 1. Total Appropriation	56,880,000	46,056,000
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## Summary by Fund

General	42,985,000	32,590,000
Trunk Highway	745,000	766,000
TANF	1,500,000	1,500,000
Environmental Fund	700,000	700,000
Workforce Development Fund	10,950,000	10,500,000

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

Subd. 2. Business and Community Development	38,488,000	28,186,000
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## Summary by Fund

General	25,338,000	15,486,000
TANF	1,500,000	1,500,000
Environmental Fund	700,000	700,000
Workforce Development Fund	10,950,000	10,500,000

\$5,017,000 the first year and \$4,017,000 the second year are for Minnesota investment fund grants. Of this amount, \$1,000,000 in the first year is a one-time appropriation and is not added to the agency's budget base.

\$400,000 the first year is for a one-time grant to Advantage Minnesota, Inc. The funds are available only if matched on at least a dollar-for-dollar basis from other sources. The commissioner may release the funds only upon:

- (1) certification that matching funds from each participating organization are available; and
- (2) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$14,067,000 the first year and \$14,073,000 the second year are for the job skills partnership program. If the appropriation for either year is insufficient, the appropriation for the other year is available. Of this appropriation, \$10,000,000 in each year is a one-time appropriation from the workforce development fund. It is the intention of the legislature that this program base funding be \$5,931,000 per year in the 2002-2003 biennium. This appropriation does not cancel.

\$500,000 the first year and \$500,000 the second year are one-time appropriations from the workforce development fund for the pathways program.

\$1,500,000 the first year and \$1,500,000 the second year are appropriated from the state's federal TANF block grant under Title I of Public Law Number 104-193 to the commissioner of human services, to be transferred to the commissioner of trade and economic development for the pathways program under Minnesota Statutes, section 116L.04, subdivision 1a. It is the intention of the legislature that the general fund base funding to the pathways program be \$1,500,000 per year in the 2002-2003 biennium.

\$500,000 the first year is for a one-time grant to the city of Fridley for costs of the design and construction of infrastructure improvements required by a large business campus development in the Moore lakes area of the city.

\$551,000 the first year and \$565,000 the second year are from fees collected under Minnesota Statutes, section 446A.04, subdivision 5, to administer the programs of the public facilities authority.

\$500,000 in the first year is for a one-time grant to the community resources program under Minnesota Statutes, chapter 466A.

\$200,000 the first year is for a one-time grant to the board of the rural policy and development center for operation of the center. This appropriation is available as matched in cash on a dollar-for-dollar basis from nonstate sources.

\$155,000 the first year and \$155,000 the second year are for grants to the metropolitan economic development association. This is a one-time appropriation and is not added to the agency's budget base.

\$265,000 the first year and \$265,000 the second year are for grants to WomenVenture. WomenVenture must implement a program to encourage and assist women to enter nontraditional careers in the trades and technical occupations. The program shall consist of outreach to women and girls and training, job placement, and job retention support that meet women's specific needs. The program must be accessible to low-income working mothers, including MFIP recipients.

\$450,000 the first year is for a one-time grant to the St. Paul rehabilitation center for its current programs, including those related to developing job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. This appropriation is from the workforce development fund.

\$250,000 is for a grant to the city of Windom to provide loans to assist an expanding business. This is a one-time appropriation and is not added to the agency's budget base.

\$350,000 is for the biennium ending June 30, 2001, for a grant to the Camp Heartland center. The grant may be used for phase II capital expenditures including, without limitation, a septic system upgrade and bath/shower house construction, construction of a family lodge, renovation of a medical facility, construction of staff housing and offices, or expansion and upgrade of the dining room and kitchen. This is a one-time appropriation and is not added to the agency's budget base.

\$4,800,000 the first year and \$2,800,000 the second year are for purposes of the contamination cleanup and development grant program under Minnesota Statutes, sections

116J.551 to 116J.558. Of this appropriation, \$2,000,000 is a one-time appropriation and is not added to the agency's budget base.

\$75,000 is for a grant to the city of Lake Benton for planning costs associated with a new visitor center and railroad depot building. This is a one-time appropriation and is not added to the agency's budget base.

\$220,000 the first year and \$220,000 the second year are for microenterprise technical assistance under Minnesota Statutes, section 116J.8745. This is a one-time appropriation and is not added to the agency's budget base.

\$50,000 in 2000 is for a grant to the Chatfield brass band music lending library. The money must be used for computer hardware and software to catalog the music collection and create a Web site. This is a one-time appropriation and must not be added to the agency's budget base.

\$50,000 in fiscal year 2000 is for a one-time grant to the Duluth Economic Development Authority for the purchase and installation of railroad ties to improve the Lake Superior Mississippi Railroad scenic railway along the St. Louis Bay in Duluth.

\$100,000 is appropriated for a grant to the city of Lanesboro for predevelopment costs for the Root River Regional Arts Center. This is a one-time appropriation and is not added to the agency's budget base.

\$50,000 the first year is for a one-time grant to county and district agricultural societies and associations that are eligible to receive aid under Minnesota Statutes, section 38.02. The commissioner shall administer this appropriation pursuant to a need-based competitive grant process.

\$216,000 in the first year is for one-time rural job creation grants under Minnesota Statutes, section 469.309.

\$450,000 is for a grant to the city of Duluth to support the development of the Duluth Technology Village. The grant shall be used to establish international partnerships, attract software businesses, recruit and train workers for the software industry, and support a software business incubator facility. This is a one-time appropriation and is not part of the agency base budget. This appropriation is not available unless matched by nonstate money.

\$150,000 the first year is for a grant to the suburban Hennepin regional park district for restoration of the Grimm farmstead.

\$150,000 in the first year is for a one-time grant to the city of Ely for rehabilitation of the Ely technical building.

\$50,000 in the first year is for a one-time grant to the Highland Park district council for the enhancement of the West Seventh Street/Gateway area, which serves as a major transportation and commercial corridor for visitors from the Minneapolis-St. Paul International Airport, Mall of America, and other destinations. The appropriation may be used to make improvements to the public right-of-way including, but not limited to, landscaping, lighting, signage, and roadway improvements. This appropriation must be matched one-for-one by nonstate funds.

\$3,000,000 in the first year is for the redevelopment account under Minnesota Statutes, sections 116J.561 to 116J.567. The appropriation is available for the biennium ending June 30, 2001. This is a one-time appropriation and is not added to the agency's budget base.

\$75,000 in the first year is for a one-time grant to Perham Business Technology Center to equip the training center with interactive television and for program funds to implement the business plan.

\$300,000 in the first year is for a one-time grant to the city of Owatonna for city infrastructure improvements.

#### Subd. 3. Minnesota Trade Office

2,275,000	2,318,000
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The department shall act as the lead agency in developing a plan for a coordinated effort to promote Minnesota internationally. The commissioner may appoint an advisory committee and may seek federal and private funding to develop and implement the plan.

#### Subd. 4. Tourism

10,805,000	10,910,000
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#### Summary by Fund

General	10,060,000	10,144,000
Trunk Highway	745,000	766,000

To develop maximum private sector involvement in tourism, \$3,500,000 the first year and

\$3,500,000 the second year of the amounts appropriated for marketing activities are contingent on receipt of an equal contribution from nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the partnership program.

Any unexpended money from general fund appropriations made under this subdivision does not cancel but must be placed in a special advertising account for use by the office of tourism to purchase additional media.

This appropriation may be used for a grant to Minnesota Festivals and Events Association for the following purposes:

(1) for a partnership with the University of Minnesota's tourism center to build the methodology for a low-cost economic impact model that will allow festival and event managers to conduct research independently in their own communities;

(2) to promote regional workshops to increase production value and professionalism for events in the state, increase event service and entertainment value for local residents, build community awareness of opportunities to generate new tourism, and assure production of high quality, safe, and meaningful tourism products that are in line with the vision, mission, and growth goals of individual towns and cities in Minnesota;

(3) for a partnership with the University of Minnesota's tourism center to enhance professionalism via its certified festival manager program, training event managers and volunteer staff to implement value-added festivals and events for visitors to the state;

(4) for a partnership with the Minnesota office of tourism to publish a pull-out mini-magazine advertising the statewide festivals and events calendar for the year; and

(5) to expand the Minnesota Festivals and Events Association website, to provide travel planners with more festival and event intensive links to communities hosting such activities.

\$250,000 in the first year is for a one-time grant for the purpose of the Upper Red Lake business loan program.

\$829,000 the first year and \$829,000 the second year are for the Minnesota film board. \$329,000 of this appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind from nonstate sources for every \$3 provided by this appropriation. Of this amount, \$500,000 the first year and \$500,000 the second year are for grants to the Minnesota film board for a film production jobs fund to stimulate feature film production in Minnesota. This appropriation is to reimburse film producers for two to five percent of documented wages which they paid to Minnesotans for film production after January 1, 1999.

\$100,000 the first year is for a grant to promote tourism in the Mille Lacs area. This is a one-time appropriation and is not added to the agency's budget base.

\$100,000 the first year is for a one-time grant to promote tourism in the areas near the northern border of Minnesota, including the Northwest Angle.

\$37,000 the first year is for a grant to the Mississippi River parkway commission.

Subd. 5. Administration

3,897,000	3,192,000
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\$750,000 the first year is appropriated for enhancements to the journey travel destination system. The funds are available only if matched in cash on at least a dollar-for-dollar basis from other sources. This is a one-time appropriation and is available until spent.

Subd. 6. Information and Analysis

1,415,000	1,450,000
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Sec. 3. MINNESOTA TECHNOLOGY, INC.

6,425,000

7,225,000

\$4,605,000 the first year and \$6,105,000 the

second year are for transfer from the general fund to the Minnesota Technology, Inc. fund.

\$70,000 the first year and \$70,000 the second year are for grants to Minnesota Inventors Congress. This is a one-time appropriation and is not added to the agency's budget base.

\$100,000 the first year and \$100,000 the second year are for grants to the Minnesota cold weather research center. By January 15, 2001, the center will report to the legislature on (1) the sources and amounts of its nonstate matching funds, and (2) the effectiveness of its program in achieving quantifiable economic development benefits to the state. This is a one-time appropriation and is not added to the agency's budget base.

\$700,000 the first year and \$500,000 the second year are for grants to Minnesota Project Innovation. The legislature intends for Minnesota Project Innovation to move toward economic self-sufficiency. This is a one-time appropriation and is not added to the agency's budget base.

\$850,000 the first year and \$450,000 the second year are for grants to the Natural Resources Research Institute. This is a one-time appropriation and is not added to the agency's budget base.

\$100,000 the first year is for a one-time grant to the Minnesota Council for Quality.

Sec. 4. ECONOMIC SECURITY

Subdivision 1. Total

Appropriation	46,015,000	38,674,000
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Summary by Fund

General	39,287,000	37,446,000
TANF Block Grant	500,000	-0-
Workforce Development Fund	6,228,000	1,228,000

Subd. 2. Rehabilitation Services	22,578,000	22,089,000
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Summary by Fund

General	21,902,000	21,913,000
TANF	500,000	-0-
Workforce Development Fund	176,000	176,000

\$1,850,000 the first year and \$1,850,000 the second year are for centers for independent living. The commissioner shall review the allocation of this appropriation among the centers for independent living and consider



whether unequal allocation might be appropriate in subsequent years.

\$500,000 the first year is to provide welfare-to-work extended employment services to welfare recipients with severe impairment to employment, as defined in Minnesota Statutes, section 268A.15, subdivision 1a. Of this appropriation, up to five percent is for administrative costs. This is a one-time appropriation and may not be added to the budget base in the biennium ending June 30, 2003. This appropriation is from the state's federal TANF block grant under Public Law Number 104-193 to the commissioner of human services, to be transferred to the commissioner of economic security. This appropriation is available until June 30, 2001.

\$825,000 the first year and \$827,000 the second year are for employment support services for persons with mental illness authorized under Minnesota Statutes, section 268A.13.

\$250,000 the first year and \$250,000 the second year are for a grant to the Minnesota employment center for deaf and hard-of-hearing people. Of this appropriation, \$50,000 each year is a one-time appropriation from the workforce development fund. It is the intention of the legislature that base funding for this program be \$250,000 in the 2002-2003 biennium.

In fiscal year 2000 and fiscal year 2001, \$975,000 is to increase the reimbursement rates for extended employment services. Effective for services rendered on or after July 1, 1999, the commissioner shall increase by ten percent all reimbursement rates under Minnesota Rules, part 3300.2035, subpart 6, item A, for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. This amount is added to the agency's budget base.

\$126,000 the first year and \$126,000 the second year are for a grant to Advocating Change Together, Inc., (ACT). This appropriation is from the workforce development fund. The grant must be used for the training of individuals with developmental and other mental health disabilities, the maintenance of related data, or technical assistance for work advancement or additional workforce training. No part of this grant may be applied to litigation costs, or used for legal advocacy or legal assistance purposes. This is a one-time appropriation and is available until June 30, 2001.

## Subd. 3. State Services for the Blind

6,114,000	4,817,000
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\$1,400,000 the first year is appropriated to convert the communication center to digital technology and move the radio talking book program to a different frequency. The funds are available only if matched in cash on at least a dollar-for-dollar basis from private sources. This is a one-time appropriation and is available until June 30, 2001.

The appropriation in the second year is not available until the commissioners of finance and economic security have reviewed the operation of the state services for the blind, determined why a budget deficiency occurred in fiscal year 1999 and what steps should be taken to prevent a future deficiency and reported their findings to the legislature.

## Subd. 4. Workforce Preparation

17,273,000	11,718,000
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	Summary by Fund	
General	11,221,000	10,666,000
Workforce Development Fund	6,052,000	1,052,000

\$775,000 the first year and \$775,000 the second year are for job training programs under Minnesota Statutes, sections 268.60 to 268.64. This appropriation is from the workforce development fund.

\$2,049,000 the first year and \$2,054,000 the second year are for displaced homemaker programs under Minnesota Statutes, section 268.96. Of this appropriation, \$227,000 each year is a one-time appropriation from the workforce development fund. The commissioner shall prepare and report to the legislature a plan for a sliding scale fee structure for this program. Of this amount, \$100,000 the first year and \$100,000 the second year are for one-time grants to the St. Paul district 5 planning council. These grants are to operate a community work empowerment support group demonstration project. A project consists of empowerment groups of individuals that are in the process of obtaining or have obtained jobs, including those in the welfare-to-work programs, or are working out problems of attaining self-sufficiency. The groups must separately meet at least monthly for at least two hours. Each group meeting must include empower mentors whose responsibility

will be to conduct the meeting. The sites will report to the commissioner on a semiannual basis regarding the progress achieved at the meetings. The purpose of the group is to:

- (1) share information among group members as to the successes and problems encountered in the individual's employment goals;
- (2) provide a forum for individuals involved in moving to self-sufficiency to share their experiences and strategies and to support and empower each other; and
- (3) to provide feedback to the commissioner concerning the best strategies to achieve the empowerment support group's objectives.

\$5,000,000 the first year is a one-time appropriation from the workforce development fund to match available United States Department of Labor Welfare-to-Work funds. The commissioner shall explore sources of noncash match for these funds. To the extent this appropriation is not needed for these purposes, the balance is available for the Welfare-to-Work program.

\$1,425,000 the first year and \$1,425,000 the second year are for youth intervention programs under Minnesota Statutes, section 268.30. Funding from this appropriation may be used to expand existing programs to serve unmet needs and to create new programs in underserved areas. Of this appropriation, \$3,750 is for a grant to the Minnesota Youth Intervention Programs Association (YIPA) to provide collaborative training and technical assistance to community-based grantees of the program.

\$851,000 the first year and \$852,000 the second year are for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. Of this amount, \$100,000 in the first year and \$100,000 in the second year are one-time appropriations from the workforce development fund for the YOUTHBUILD technical program under Minnesota Statutes, section 268.368. A Minnesota YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

\$116,000 the first year and \$116,000 the second year are appropriated for youth violence prevention programs to match the federal juvenile accountability incentive block grant. This is a one-time appropriation.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund on June 25, 1999, \$29,000,000 of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1. This paragraph is effective the day following final enactment.

\$572,000 in the first year is for enterprise zone incentive grants under Minnesota Statutes, section 469.305.

Subd. 5. Workforce Exchange

50,000	50,000
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The commissioner of economic security is directed to prepare a plan to reduce the number of line managers and reduce the costs of operation in workforce centers. The legislature finds it unacceptable to have up to five managers in individual workforce centers.

\$50,000 the first year and \$50,000 the second year are for asset preservation and facility repair.

\$348,625 the first year is for systems development for electronic commerce to improve communication with customers of the job service and reemployment insurance program. In accordance with Minnesota Statutes, section 268.194, subdivision 5, this money is a one-time appropriation from federal money made available specifically for that purpose under United States Code, title 42, section 1103, also known as the "Reed Act." This appropriation is available for the biennium ending June 30, 2001.

\$2,000,000 the first year and \$2,000,000 the second year is for systems development for electronic commerce in the reemployment insurance program to improve communication with employers. In accordance with Minnesota Statutes, section 268.194, subdivision 5, this money is a one-time appropriation from federal money to be made available specifically for that purpose under United States Code, title 42, section 1103, also known as the "Reed Act," and section 5403 of the federal Balanced Budget Act of 1997. Each annual appropriation is available for the biennium ending June 30, 2001.

Sec. 5. HOUSING FINANCE AGENCY	74,770,000	45,770,000
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Summary by Fund

General	70,770,000	43,270,000
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TANF	4,000,000	2,500,000
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#### Subdivision 1. Total Appropriation

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

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

#### Subd. 2. Challenge Program

\$20,000,000 is appropriated for transfer to the housing development fund for the economic development and housing challenge program created by Minnesota Statutes, section 462A.33. This is a one-time appropriation and is not added to the agency's permanent base.

#### Subd. 3. Rental Assistance for Mentally Ill

\$1,700,000 the first year and \$1,700,000 the second year are for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

#### Subd. 4. Family Homeless Prevention

\$3,250,000 the first year and \$3,250,000 the second year is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204, and is available until June 30, 2001. Of this amount, \$1,875,000 the first year and \$375,000 the second year is from the state's federal TANF block grant under Title I of Public Law Number 104-193 to the commissioner of human services, to reimburse the housing development fund for assistance under this program for families receiving TANF assistance under the MFIP program. The commissioner of human services shall make monthly reimbursements to the housing development fund. The commissioner of human services shall not make any reimbursement which the commissioner determines would be subject to a penalty under Code of Federal Regulations, section 262.1. \$100,000 of the total grants made to Hennepin county from this appropriation is for grants to organizations providing case management for persons that need assistance to rehabilitate their rent history and find rental housing. Case management services include, but are not limited to, assisting tenants in correcting tenant

screening reports, providing intensive training and certification for tenants, creating a bonding program to encourage landlords to accept high-risk tenants with poor rent histories, paying security deposits for high-risk tenants, and agreeing to pay landlord expenses for filing unlawful detainer actions. If the appropriation in either year is insufficient, the appropriation for the other year is available. It is the intention of the legislature that the general fund base funding to this program be \$6,500,000 for the 2002-2003 biennium.

Subd. 5. Mortgage Foreclosure Prevention

\$583,000 the first year and \$583,000 the second year are for the mortgage foreclosure prevention and assistance program under Minnesota Statutes, section 462A.207.

Subd. 6. Rental Assistance for Family Stabilization

\$2,125,000 the first year and \$2,125,000 the second year are appropriated from the state's federal TANF block grant under Title I of Public Law Number 104-193 to the commissioner of human services, to reimburse the housing development fund for rent subsidies provided to families receiving TANF assistance from the MFIP program under the rent assistance for family stabilization program under Minnesota Statutes, section 462A.205. The commissioner of human services shall make monthly reimbursements to the housing development fund. The commissioner of human services shall not make any reimbursement which the commissioner determines would be subject to a penalty under Code of Federal Regulations, section 262.1. If the appropriation in either year is insufficient, the appropriation for the other year is available. It is the intention of the legislature that the general fund base funding for this program be \$2,000,000 per year for the 2002-2003 biennium.

Subd. 7. Housing Trust Fund

\$2,348,000 the first year and \$2,348,000 the second year are for the housing trust fund to be deposited in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section. Of this amount, \$550,000 each year must be used for transitional housing.

Subd. 8. Affordable Rental Investment Fund

\$21,493,000 the first year and \$21,493,000 the second year are for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. Of this amount, \$15,000,000 the first year and \$15,000,000 the second year are to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39. The owner of the federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable properties to properties with the longest remaining term under an agreement for federal rental assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization. Of this appropriation, \$5,000,000 in each year is a one-time appropriation and is not added to the agency's permanent base.

To the extent practicable, this appropriation shall be used so that an approximately equal number of housing units are financed in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, and in the nonmetropolitan area.

#### Subd. 9. Urban Indian Housing Program

No appropriation is made for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15. It is the intention of the legislature that the agency will use accumulated reserves to fund this program in the 2000-2001 biennium. The base of \$187,000 per year is intended to be restored in fiscal year 2002 and beyond.

#### Subd. 10. Tribal Indian Housing Program

\$1,683,000 the first year and \$1,683,000 the second year are for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14.

Subd. 11. Rural and Urban Homesteading

\$186,000 the first year and \$186,000 the second year are for the Minnesota rural and urban homesteading program under Minnesota Statutes, section 462A.057.

Subd. 12. Capacity Building Grants

\$240,000 the first year and \$240,000 the second year are for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Subd. 13. Community Rehabilitation Program

\$6,175,000 the first year and \$6,175,000 the second year are for the community rehabilitation program under Minnesota Statutes, section 462A.206. Of this appropriation, \$1,000,000 in each year is a one-time appropriation and is not added to the agency's budget base.

Priority will be given to a proposal from a community in which the existing housing is predominantly manufactured housing and the proposal seeks funds to revitalize the community through the use of improved manufactured housing and to leverage available federal funds. Of this appropriation, \$50,000 the first year and \$50,000 the second year must be used to make grants to a statewide organization that advocates on behalf of persons with mental retardation or related conditions. The grants must be used to provide entry cost assistance, prepurchase and postpurchase counseling to persons with various disabilities who are participating in the Fannie Mae Homechoice demonstration project and other projects designed to encourage home ownership among persons with disabilities.

Of this appropriation, \$275,000 the first year and \$275,000 the second year are for full-cycle home ownership and purchase-rehabilitation lending initiatives under Minnesota Statutes, section 462A.21, subdivision 25.

Subd. 14. Housing Rehabilitation and Accessibility

\$4,287,000 the first year and \$4,287,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

Subd. 15. Home Ownership Assistance Fund

\$900,000 the first year and \$900,000 the second year are for the home ownership assistance fund



under Minnesota Statutes, section 462A.21, subdivision 8.

Subd. 16. Employer Matching Grants

\$800,000 in the first year and \$800,000 in the second year are for the employer matching grant program under Minnesota Statutes, section 462A.2092.

Subd. 17. School Stability Project

\$1,000,000 the first year is for the school stability project under Minnesota Statutes, section 462A.204, subdivision 8. This is a one-time appropriation and is not added to the agency's permanent base.

Subd. 18. Innovative and Inclusionary Housing Program

\$8,000,000 the first year is for innovative and inclusionary housing programs. \$4,000,000 of this appropriation is for the nonmetropolitan innovative and inclusionary housing program under Minnesota Statutes, section 462A.2093. \$4,000,000 of this appropriation is for transfer to the metropolitan council for deposit in the inclusionary housing account created in Minnesota Statutes, section 473.251. The metropolitan council may use this transfer only for projects that are consistent with Minnesota Statutes, section 473.255. This is a one-time appropriation and is not added to the agency's permanent base.

Subd. 19. Cancellations

The unobligated and unencumbered balance in the contract for deed guarantee account under Minnesota Statutes, section 462A.2091 is transferred to the full cycle homeownership services program under section 462A.209.

The unobligated and unencumbered balance appropriated to the advisory task force on lead hazard reduction established under Laws 1997, chapter 200, article 4, section 1, is transferred to the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a, for use in the emergency loan fund. Priority for the use of these funds shall be given to emergency loans and grants for lead hazard reduction.

The unobligated and unencumbered balance appropriated to the community rehabilitation fund account under Laws 1997, chapter 200, article 1, section 6, for grants to acquire, demolish, and remove substandard multiple-unit

residential property or acquire, rehabilitate, and reconfigure multiple-unit residential rental property is transferred on July 1, 2000, to the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b.

Sec. 6. COMMERCE

Subdivision 1. Total  
Appropriation

18,927,000                      17,460,000

Summary by Fund

General	17,245,000	15,831,000
Petro Cleanup	1,015,000	1,045,000
Workers' Compensation	567,000	584,000
Special Revenue	100,000	-0-

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

Subd. 2. Financial Examinations

3,963,000                      4,052,000

Subd. 3. Registration and Insurance

4,916,000                      4,934,000

Summary by Fund

General	4,249,000	4,350,000
Workers' Compensation	567,000	584,000
Special Revenue	100,000	-0-

\$100,000 the first year is from the real estate education, research, and recovery account for the purposes of an educational campaign aimed at stopping the fraudulent practice known commonly as mortgage flipping. The department is directed to develop a public awareness campaign targeted to the communities hardest hit by this practice. The department is further directed to solicit contributions to this campaign from trade organizations, banks, mortgage companies, and foundations to supplement the program. The materials shall be prepared in multiple languages as necessary. The appropriation is available until expended and any contributions received are available for the educational campaign described in this section.

Subd. 4. Enforcement and Licensing

4,355,000                      4,296,000

Subd. 5. Petroleum Tank Release  
Cleanup Board

1,015,000

1,045,000

This appropriation is from the petroleum tank release cleanup fund.

## Subd. 6. Administrative Services

4,678,000

3,133,000

\$1,400,000 the first year is a one-time appropriation to redesign and re-engineer the department's data base.

\$90,000 the first year is a one-time appropriation for expanding website capabilities.

## Sec. 7. BOARD OF ACCOUNTANCY

607,000

624,000

Sec. 8. BOARD OF ARCHITECTURE,  
ENGINEERING, LAND SURVEYING,  
LANDSCAPE ARCHITECTURE, AND  
INTERIOR DESIGN

770,000

794,000

\$21,000 is appropriated from the general fund and is added to the appropriations in Laws 1997, chapter 200, section 9, for board operations. This added appropriation is effective the day following final enactment.

Sec. 9. BOARD OF BARBER  
EXAMINERS

144,000

149,000

## Sec. 10. BOARD OF BOXING

84,000

-0-

## Sec. 11. LABOR AND INDUSTRY

## Subdivision 1. Total

## Appropriation

24,608,000

24,962,000

## Summary by Fund

## General

3,736,000

3,913,000

## Workers'

## Compensation

20,107,000

20,270,000

## Workforce

## Development Fund

765,000

779,000

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

## Subd. 2. Workers' Compensation

10,586,000

10,833,000

This appropriation is from the workers' compensation fund.

\$125,000 the first year and \$125,000 the second year is for grants to the Vinland Center for rehabilitation service.

## Subd. 3. Workplace Services

7,476,000

7,759,000

## Summary by Fund

General	2,672,000	2,844,000
Workers' Compensation	4,039,000	4,136,000
Workforce Development Fund	765,000	779,000

\$204,000 the first year and \$204,000 the second year are for labor education and advancement program grants. The commissioner must report to the legislature by February 15, 2000, on the success of the program in placing and retaining participants. This appropriation is from the workforce development fund.

## Subd. 4. General Support

6,546,000	6,370,000
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## Summary by Fund

General	1,064,000	1,069,000
Workers' Compensation	5,482,000	5,301,000

## Sec. 12. BUREAU OF MEDIATION SERVICES

## Subdivision 1. Total

Appropriation	2,130,000	2,180,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

## Subd. 2. Mediation Services

1,712,000	1,759,000
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## Subd. 3. Labor Management Cooperation Grants

302,000	302,000
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\$302,000 each year is for grants to area labor-management committees. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

## Subd. 4. Office of Dispute Resolution

116,000	119,000
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## Sec. 13. WORKERS' COMPENSATION COURT OF APPEALS

1,543,000	1,585,000
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This appropriation is from the workers' compensation fund.

## Sec. 14. LABOR INTERPRETIVE CENTER

200,000	200,000
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It is the intention of the legislature that the Center will increase the nonstate share of its operating budget.

Sec. 15. PUBLIC UTILITIES  
COMMISSION

3,781,000 3,880,000

Sec. 16. DEPARTMENT OF PUBLIC SERVICE

Subdivision 1. Total  
Appropriation

9,604,000 9,814,000

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

Subd. 2. Telecommunications

962,000 980,000

Subd. 3. Weights and Measures

3,138,000 3,207,000

Subd. 4. Information and Operations  
Management

1,584,000 1,627,000

Subd. 5. Energy

3,920,000 4,000,000

\$588,000 each year is for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of children, families, and learning to improve the energy efficiency of residential oil-fired heating plants in low-income households and, when necessary, to provide weatherization services to the homes.

Sec. 17. MINNESOTA HISTORICAL  
SOCIETY

Subdivision 1. Total  
Appropriation

24,934,000 27,794,000

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

Subd. 2. Education and  
Outreach

12,669,000 12,812,000

\$80,000 the first year is for partial operating expenses at the Northwest Fur Company Post.

Subd. 3. Preservation and Access

9,318,000 9,479,000

\$25,000 the first year and \$25,000 the second year are for historic site repair and maintenance.

Subd. 4. Information Program  
Delivery

2,341,000 2,155,000

## Subd. 5. Fiscal Agent

General	606,000	348,000
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## (a) Sibley House Association

88,000	88,000
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This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site operated by the Sibley House Association.

## (b) Minnesota International Center

50,000	50,000
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## (c) Minnesota Air National Guard Museum

19,000	-0-
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## (d) Institute for Learning and Teaching - Project 120

110,000	110,000
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## (e) Minnesota Military Museum

29,000	-0-
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## (f) Farmamerica

100,000	100,000
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Notwithstanding any other law, this appropriation may be used for operations.

## (g) Winona County Historical Society

10,000	-0-
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This is a one-time appropriation and is not added to the agency's budget base.

## (h) Historic Building Relocation

100,000
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\$100,000 is for a grant to the city of Maplewood for the costs of acquiring land, developing a site, relocating certain buildings onto the site, and renovating the buildings. The buildings to be acquired, relocated, and renovated are the home, barn, granary, and windmill on the Bruentrup farm site, the last working farm in Ramsey county. The grant must not be made until the director of the Minnesota historical society has determined that an equal amount in cash or in-kind has been committed from nonstate sources and the city of Maplewood has passed a resolution approving the project. The appropriation is available the day following final enactment and until June 30, 2000.

## (i) Fishing Museum

50,000

\$50,000 is for a grant to the city of Little Falls for planning in connection with the establishment of a museum of fishing-related artifacts, equipment, and memorabilia and an environmental education center. This appropriation is available until spent. This is a one-time appropriation and is not added to the agency's budget base.

(j) \$50,000 is to refurbish the Fridley historical museum in Fridley. This is a one-time appropriation and is not added to the agency's budget base.

(k) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 18. MINNESOTA MUNICIPAL BOARD	162,000	-0-
Sec. 19. COUNCIL ON BLACK MINNESOTANS	320,000	329,000
\$25,000 each year is for expenses associated with the Dr. Martin Luther King Day activities.		
Sec. 20. COUNCIL ON CHICANO-LATINO AFFAIRS	314,000	324,000
Sec. 21. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	277,000	286,000
Sec. 22. INDIAN AFFAIRS COUNCIL	551,000	567,000
Sec. 23. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING	161,000	327,000
To assume administrative responsibilities resulting from the sunset of the municipal board under Laws 1997, chapter 202, article 5, section 8.		
Sec. 24. MILITARY AFFAIRS	50,000	50,000

\$50,000 the first year and \$50,000 the second year is for the purpose of coordinating agreements with community empowerment support groups for the use of the military training center and related personnel at Camp Ripley for providing what are commonly referred to as "soft skill" job skills training to people, including those who are expected to make the transition from welfare to work. "Soft skills" include such things as being punctual and following directions. The adjutant general may enter into contracts with other state departments and local

agencies for the purpose of using the facilities at Camp Ripley and staff to provide that training. This is a one-time appropriation and may not be added to the budget base for the biennium ending June 30, 2001.

Sec. 25. ADMINISTRATION 20,000 -0-

To the commissioner of administration for the low-income energy task force study and report required by article 2, section 75.

## ARTICLE 2 MISCELLANEOUS

Section 1. Minnesota Statutes 1998, section 45.0295, is amended to read:

45.0295 [FEES.]

(a) The following fees shall be paid to the commissioner:

- (1) ~~for a letter of certification of licensure, \$20;~~
- (2) ~~for a license history, \$20;~~
- (3) ~~for a duplicate license, \$10;~~
- (4) ~~for a change of name or address, \$10;~~
- (5) ~~for a temporary license, \$10;~~
- (6) for each hour or fraction of one hour of course approval for continuing education sought, \$10; and
- (7) (2) for each continuing education course coordinator approval, \$100.

(b) All fees paid to the commissioner under this section are nonrefundable, except that an overpayment of a fee shall be returned upon proper application.

Sec. 2. Minnesota Statutes 1998, section 53A.03, is amended to read:

53A.03 [APPLICATION FOR LICENSE; FEES.]

(a) An application for a license must be in writing, under oath, and in the form prescribed and furnished by the commissioner and must contain the following:

(1) the full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member, and the name and business address if the applicant is a corporation;

(2) the county and municipality, with street and number, if any, of all currency exchange locations operated by the applicant; and

(3) the applicant's occupation or profession, for the ten years immediately preceding the application; present or previous connection with any other currency exchange in this or any other state; whether the applicant has ever been convicted of any crime; and the nature of the applicant's occupancy of the premises to be licensed; and if the applicant is a partnership or a corporation, the information specified in this paragraph must be supplied for each partner and each officer and director of the corporation. If the applicant is a partnership or a nonpublicly held corporation, the information specified in this paragraph must be required of each partner and each officer, director, and stockholders owning in excess of ten percent of the corporate stock of the corporation.



(b) The application shall be accompanied by a nonrefundable fee of ~~\$250~~ \$1,000 for the review of the initial application. Upon approval by the commissioner, an additional license fee of ~~\$50~~ \$500 must be paid by the applicant as an annual license fee for the remainder of the calendar year. ~~An annual license fee of \$50~~ \$500 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before September 1. Fees must be deposited in the state treasury and credited to the general fund. Upon payment of the required annual license fee, the commissioner shall issue a license for the year beginning January 1.

(c) The commissioner shall require the applicant to submit to a background investigation conducted by the bureau of criminal apprehension as a condition of licensure. As part of the background investigation, the bureau of criminal apprehension shall conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant.

(d) For purposes of this section, "applicant" includes an employee who exercises management or policy control over the company, a director, an officer, a limited or general partner, a manager, or a shareholder holding more than ten percent of the outstanding stock of the corporation.

Sec. 3. Minnesota Statutes 1998, section 53A.05, subdivision 1, is amended to read:

Subdivision 1. [NAME OR LOCATION.] If a licensee proposes to change the name or location of any or all of its currency exchanges, the licensee shall file an application for approval of the change with the commissioner. The commissioner shall not approve a change of location if the requirements of sections 53A.02, subdivision 2, and 53A.04 have not been satisfied. If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A ~~\$50~~ \$100 fee must be paid for the amended license.

Sec. 4. Minnesota Statutes 1998, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

- (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

- (1) for filing certified copy of certificate of articles of incorporation, \$100;
- (2) for filing annual statement, \$225;
- (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- (4) for filing bylaws, \$75 or amendments thereto, \$75;
- (5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(6) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(7) for filing forms and rates, ~~\$50~~ \$75 per filing;

(8) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 5. Minnesota Statutes 1998, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions; or (f) to an entity which administers a self-insurance or insurance plan if a licensed Minnesota insurer is providing insurance to the plan and if the licensed insurer has appointed the entity administering the plan as one of its licensed agents within this state.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance for the benefit of employees or members of an association, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a

self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is ~~\$500~~ \$1,000 for the initial application and ~~\$500~~ \$1,000 for each two-year renewal. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a surety bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.

(5) [RULEMAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules pursuant to sections 14.001 to 14.69. These rules may:

- (a) establish reporting requirements for administrators of insurance or self-insurance plans;
- (b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;
- (c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or
- (d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 6. Minnesota Statutes 1998, section 60A.71, subdivision 7, is amended to read:

Subd. 7. [FEES.] Each applicant for a reinsurance intermediary license shall pay to the commissioner a fee of ~~\$160~~ \$200 for an initial two-year license and a fee of ~~\$120~~ \$150 for each renewal. Applications shall be submitted on forms prescribed by the commissioner.

Sec. 7. Minnesota Statutes 1998, section 60K.06, is amended to read:

60K.06 [FEES.]

Subdivision 1. [RENEWAL FEES.] (a) Each agent licensed pursuant to section 60K.03 shall pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by subdivision 2.

(b) Every agent, corporation, limited liability company, and partnership renewal license is valid for a period of 24 months. The commissioner may stagger the implementation of the 24-month licensing program so that approximately one-half of the licenses will expire on October 31 of each even-numbered year and the other half on October 31 of each odd-numbered year. Those licensees who will receive a 12-month license on November 1, 1994, because of the staggered implementation schedule, will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

(c) Persons whose applications have been properly and timely filed who have not received

notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

Subd. 2. [LICENSING FEES.] (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

(1) a fee of ~~\$60~~ \$80 per license for an initial license issued to an individual agent, and a fee of ~~\$60~~ \$80 for each renewal;

(2) a fee of ~~\$160~~ \$200 for an initial license issued to a partnership, limited liability company, or corporation, and a fee of ~~\$120~~ \$150 for each renewal;

(3) a fee of \$75 for an initial amendment (variable annuity) to a license, and a fee of \$50 for each renewal; and

(4) a fee of \$500 for an initial surplus lines agent's license, and a fee of \$500 for each renewal.

(b) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1 of the renewal year. Applications for renewal of a license are timely filed if received by the commissioner on or before the 15th day preceding the license renewal date of the applicant on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked on or before the 15th day preceding the licensing renewal date of the applicant.

(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(d) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of any fee must be refunded upon proper application.

Subd. 3. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 2, paragraph (a), expires less than 12 months after issuance, the license fee must be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 8. Minnesota Statutes 1998, section 65B.48, subdivision 3, is amended to read:

Subd. 3. Self-insurance, subject to approval of the commissioner, is effected by filing with the commissioner in satisfactory form:

(1) a continuing undertaking by the owner or other appropriate person to pay tort liabilities or basic economic loss benefits, or both, and to perform all other obligations imposed by sections 65B.41 to 65B.71;

(2) evidence that appropriate provision exists for prompt administration of all claims, benefits, and obligations provided by sections 65B.41 to 65B.71;

(3) evidence that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a policy of insurance complying with sections 65B.41 to 65B.71, for payment of tort liabilities, basic economic loss benefits, and all other obligations imposed by sections 65B.41 to 65B.71; and

(4) a nonrefundable initial application fee of ~~\$500~~ \$1,500 and an annual renewal fee of ~~\$100~~ \$400 for political subdivisions and ~~\$250~~ \$500 for nonpolitical entities.

Sec. 9. Minnesota Statutes 1998, section 70A.14, subdivision 4, is amended to read:

Subd. 4. [DURATION.] Licenses issued pursuant to this section shall remain in effect until the licensee withdraws from the state or until the license is suspended or revoked. The fee for each license shall be ~~\$1,000~~ \$3,000, payable every three years.

Sec. 10. Minnesota Statutes 1998, section 72B.04, subdivision 10, is amended to read:

Subd. 10. [FEES.] A fee of ~~\$40~~ \$80 is imposed for each initial license or temporary permit and ~~\$25~~ \$80 for each renewal thereof or amendment thereto. A fee of \$20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the state treasurer. If a fee is paid for an examination and if within one year from the date of that payment no written request for a refund is received by the commissioner or the examination for which the fee was paid is not taken, the fee is forfeited to the state of Minnesota.

Sec. 11. Minnesota Statutes 1998, section 79.255, subdivision 10, is amended to read:

Subd. 10. [FEE.] A registration or exemption certificate fee of ~~\$50~~ \$100 shall be paid.

Sec. 12. Minnesota Statutes 1998, section 82A.08, subdivision 2, is amended to read:

Subd. 2. [FEE.] Every annual report filed pursuant to this section shall be accompanied by a fee of ~~\$100~~ \$500.

Sec. 13. Minnesota Statutes 1998, section 82A.16, subdivision 2, is amended to read:

Subd. 2. [FEE AND CONTENTS.] A salesperson or broker may apply for a license by filing a fee of ~~\$25~~ \$50 and an application with the commissioner which includes the following information:

(1) the applicant's name, age, residence address, and, in the case of a salesperson, the name and place of business of the membership camping operator or broker on whose behalf the salesperson will be acting;

(2) the applicant's date and place of birth;

(3) a statement whether or not the applicant within the past ten years has been convicted of a misdemeanor or felony involving theft, fraud, or dishonesty or whether or not the applicant within the past ten years has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any securities, land sales, camping, or consumer protection statutes;

(4) a statement whether or not the applicant is named as a defendant in a pending criminal indictment or proceeding involving fraud, theft, or dishonesty or is a defendant in a pending lawsuit arising out of alleged violations of securities, land sales, camping, or consumer protection statutes. A copy of the charge, complaint, or lawsuit shall be provided to the commissioner;

(5) a statement describing the applicant's employment history for the past five years and whether or not any termination of employment during the last five years was occasioned by a theft, fraud, or act of dishonesty;

(6) an affidavit certifying that the applicant is knowledgeable concerning the provisions of this section and sections 82A.05, 82A.13, and 82A.14, and any rules adopted under those sections;

(7) a statement whether or not the applicant has ever been licensed by this state or its political subdivisions to engage in any other business or profession; whether any such license has been denied, suspended, or revoked and, if so, the circumstances of the denial, suspension, or revocation;

(8) such other information as the commissioner may reasonably deem necessary to administer the provisions of sections 82A.01 to 82A.26, by rule or order.

Sec. 14. Minnesota Statutes 1998, section 82A.16, subdivision 6, is amended to read:

Subd. 6. [RENEWAL.] The license of a salesperson and broker shall be renewed annually by the filing of a form prescribed by the commissioner and payment of a fee of ~~\$10~~ \$25.

Sec. 15. [82B.201] [CRIMINAL PENALTY.]

A person is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person:

- (1) violates section 82B.20, subdivision 2, clause (4);
- (2) performs unlicensed activities, if a license is required under this chapter; or
- (3) violates any order issued by the commissioner related to conduct prohibited by clause (1).

Sec. 16. [116J.036] [DEPARTMENT MAY NOT OPERATE AS TRAVEL AGENCY.]

The department may not operate or provide a travel reservation system in competition with private sector travel agents, but may make referrals to private sector travel agents.

Sec. 17. [116J.037] [CERTIFICATION OF ELECTRONIC-COMMERCE-READY CITIES AND COUNTIES.]

A county or statutory or home rule charter city of Minnesota shall be designated an electronic-commerce-ready city or county by the department of trade and economic development and may be annually recertified as an electronic-commerce-ready city or county if it:

(1) has formed effective public-private partnerships with communication providers, the business community, banks, schools, health care, government, and nonprofit social and service organizations to become electronic commerce ready;

(2) makes available training and continuing education to develop an electronic-commerce-ready workforce;

(3) develops a plan for electronic commerce readiness that reflects resource integration across economic and government sectors, including current and future investments by business, government, education, and health care to achieve cooperative community and economic development benefits;

(4) uses local funding sources to catalyze and sustain information technology investments to adapt to new business priorities as electronic commerce grows; and

(5) maintains public access sites to ensure access to electronic commerce applications and community networking tools, such as electronic mail.

Sec. 18. Minnesota Statutes 1998, section 116J.415, subdivision 5, is amended to read:

Subd. 5. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them;

(3) the minimum loan is \$5,000 and the maximum is ~~\$100,000~~ \$200,000;

(4) a loan may not exceed 50 percent of the total cost of an individual project;

(5) a loan may not be used for a retail development project; and

(6) a business applying for a loan, except a microenterprise loan under subdivision 6, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Sec. 19. Minnesota Statutes 1998, section 116J.421, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE.] The center is governed by a board of directors appointed to six-year terms by the governor comprised of:

- (1) a representative from each of the two largest statewide general farm organizations;
- (2) a representative from a regional initiative organization selected under section 116J.415, subdivision 3;
- (3) the president of Mankato State University;
- (4) a representative from the general public residing in a town of less than 5,000 located outside of the metropolitan area;
- (5) a member of the house of representatives appointed by the speaker of the house and a member of the senate appointed by the subcommittee on committees of the senate committee on rules and administration appointed for two-year terms;
- (6) three representatives from business, including one representing rural manufacturing and one rural retail and service business;
- (7) three representatives from private foundations with a demonstrated commitment to rural issues;
- (8) one representative from a rural county government; and
- (9) one representative from a rural regional government.

The board shall appoint one additional member to the board of directors who shall represent the general public.

Sec. 20. Minnesota Statutes 1998, section 116J.421, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The center shall:

- (1) research and identify present and emerging social and economic issues for rural Minnesota, including health care, transportation, crime, housing, and job training;
- (2) forge alliances and partnerships with rural communities to find practical solutions to economic and social problems;
- (3) provide a resource center for rural communities on issues of importance to them;
- (4) encourage collaboration across higher education institutions to provide interdisciplinary team approaches to problem solving with rural communities; and
- (5) involve students in center projects.

Sec. 21. Minnesota Statutes 1998, section 116J.421, is amended by adding a subdivision to read:

Subd. 6. [USE OF APPROPRIATION.] State appropriations to the board, whether from the general fund or the rural policy and development fund, may, at the discretion of the board, be expended for administration of the center and to carry out its duties under this section or under other law.

Sec. 22. Minnesota Statutes 1998, section 116J.421, is amended by adding a subdivision to read:

Subd. 7. [BOARD COMPENSATION.] Compensation and expense reimbursement of board members is as provided in section 15.0575, subdivision 3.

Sec. 23. [116J.423] [MINNESOTA MINERALS 21ST CENTURY FUND.]

Subdivision 1. [CREATED.] The Minnesota minerals 21st century fund is created as a separate account in the treasury. Money in the account is appropriated to the commissioner of trade and economic development for the purposes of this section. All money earned by the account, loan repayments of principal and interest, and earnings on investments must be credited to the account. For the purpose of this section, "fund" means the Minnesota minerals 21st century fund. The commissioner shall operate the account as a revolving account.

Subd. 2. [USE OF FUND.] The commissioner shall use money in the fund to make loans or equity investments in mineral processing facilities including, but not limited to, taconite processing, direct reduction processing, and steel production. The commissioner must, prior to making any loans or equity investments and after consultation with industry and public officials, develop a strategy for making loans and equity investments that assists the Minnesota mineral industry in becoming globally competitive. Money in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 3. [REQUIREMENTS PRIOR TO COMMITTING FUNDS.] The commissioner, prior to making a commitment for a loan or equity investment must, at a minimum, conduct due diligence research regarding the proposed loan or equity investment, including contracting with professionals as needed to assist in the due diligence.

Subd. 4. [REQUIREMENTS FOR FUND DISBURSEMENTS.] The commissioner may make conditional commitments for loans or equity investments but disbursements of funds pursuant to a commitment may not be made until commitments for the remainder of a project's funding are made that are satisfactory to the commissioner and disbursements made from the other commitments sufficient to protect the interests of the state in its loan or investment.

Subd. 5. [COMPANY CONTRIBUTION.] The commissioner may provide loans or equity investments that match, in a proportion determined by the commissioner, an investment made by the owner of a facility.

Sec. 24. [116J.424] [IRRRB CONTRIBUTION.]

The commissioner of the iron range resources and rehabilitation board with approval of the board shall provide an equal match for any loan or equity investment made for a facility located in the tax relief area defined in section 273.134 by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of trade and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

Sec. 25. Minnesota Statutes 1998, section 116J.63, subdivision 4, is amended to read:

Subd. 4. The office of tourism may market tourism-related publications, trade, and media promotional material promotion and advertising programs and information distribution to businesses and organizations. The proceeds from the marketing must be placed in a special account revenue accounts and are appropriated to the commissioner to prepare and distribute the office's publications and media promotional materials implement the programs for which the revenue is collected.

Sec. 26. Minnesota Statutes 1998, section 116J.8745, subdivision 1, is amended to read:

Subdivision 1. [TECHNICAL ASSISTANCE; LOAN ADMINISTRATION.] The commissioner of trade and economic development shall make grants to nonprofit organizations to provide technical assistance to individuals with entrepreneurial plans that require microenterprise



loans in an amount ranging from approximately \$1,000 to \$25,000, and for loan administration costs related to those microenterprise loans. Microenterprise is a small business which employs under five employees plus the owner and requires under \$25,000 to start to support the startup and growth of self-employment and microbusinesses. Eligible businesses are microenterprises employing under five people plus the owner and requiring under \$25,000 or no capital to start or expand the business.

Sec. 27. Minnesota Statutes 1998, section 116J.8745, subdivision 2, is amended to read:

Subd. 2. [GRANT ELIGIBILITY AND ALLOCATION.] Nonprofit organizations must apply for grants under this section following procedures established by the commissioner. To be eligible for a grant, an organization must demonstrate to the commissioner that it has the appropriate expertise. The commissioner shall give preference for grants to organizations that target nontraditional entrepreneurs such as women, members of a minority, low-income individuals, or persons seeking work who are currently on or recently removed from welfare assistance.

An application must include:

- (1) the local need for microenterprise support;
- (2) proposed criteria for business eligibility;
- (3) proposals for identifying and serving eligible businesses;
- (4) a description of technical assistance to be provided to eligible businesses;
- (5) proposals to coordinate technical assistance with financial assistance; and
- (6) a demonstration of ability to collaborate with other agencies including educational and financial institutions; and
- (7) project goals identifying the number of eligible businesses to be assisted with the state funds awarded under the grant.

Sec. 28. [116J.9665] [WORLD TRADE CENTER.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meaning given them:

(1) "Conference and service center" means the approximately 20,000 square feet of space on the third and fourth floors of the Minnesota world trade center that the state of Minnesota has the right to possess, occupy, and use subject to the terms and conditions of the development agreement.

(2) "Development agreement" means the agreement entered into by and between the world trade center board, as agent of the state of Minnesota, and Oxford Development Minnesota, Inc. dated July 27, 1984, and the amendments to that agreement, for development and construction of a world trade center at a designated site in Minnesota.

(3) "Minnesota world trade center" means the facility constructed in accordance with the development agreement or other facilities meeting the membership requirements of the World Trade Centers Association.

Subd. 2. [GENERALLY.] The commissioner shall facilitate and support Minnesota world trade center programs and services and promote the Minnesota world trade center. These activities are not subject to chapters 14, 16A, 16B, and 16C.

Subd. 3. [POWERS.] In furtherance of the goals set forth in subdivision 2, and in addition to the powers granted by sections 116J.035 and 116J.966, the commissioner may:

(1) define, formulate, administer, and deliver programs and services through the world trade center;

(2) set and collect fees for services and programs;

(3) adopt membership requirements for an association of members of the Minnesota world trade center;

(4) participate jointly with private persons, firms, corporations, or organizations or with public entities in appropriate programs or projects and enter into contracts to spend money to carry out those programs or projects;

(5) enter into contracts or agreements with a federal or state agency, individual, business entity, or other organization;

(6) acquire and dispose of real property or an interest in real property; and

(7) hold and maintain membership for the Minnesota world trade center in the World Trade Centers Association.

Subd. 4. [DUTIES.] The commissioner shall:

(1) promote and market the Minnesota world trade center and membership in the World Trade Center Association;

(2) sponsor conferences or other promotional events in the conference and service center;

(3) sponsor, develop, and conduct educational programs related to international trade;

(4) establish and maintain an office in the Minnesota world trade center; and

(5) not duplicate programs or services provided by the commissioner of agriculture.

Subd. 5. [PROMOTIONAL EXPENSES.] The commissioner may expend money to carry out this section. Promotional expenses include, but are not limited to, expenses for the food, lodging, and travel of consultants and speakers, and publications and other forms of advertising.

Subd. 6. [WORLD TRADE CENTER ACCOUNT.] The world trade center account is in the special revenue fund. All money received from the use of the conference and service center or appropriated under this section must be deposited in the account. Money in the account including interest earned is appropriated to the commissioner and must be used exclusively for the purposes of this section.

Subd. 7. [SERVICE INFORMATION; CLASSIFICATION OF DATA.] (a) Service information, including databases, purchased by the commissioner or developed by the commissioner for sale pursuant to this section, is not subject to chapter 13.

(b) For purposes of this subdivision, "business transaction" means a transaction between parties other than the commissioner. The following data received or developed by the commissioner is private with respect to data on individuals and nonpublic with respect to data not on individuals:

(1) data relating to the financial condition of individuals or businesses receiving or performing services by or on behalf of the commissioner in furtherance of this section;

(2) at the request of either party to the transaction data on business transactions; and

(3) at the request of the person or business seeking the information, the identities of persons or businesses requesting business or trade information from the commissioner, and the nature of the trade information.

Sec. 29. Minnesota Statutes 1998, section 116L.03, subdivision 5, is amended to read:

Subd. 5. [TERMS.] The terms of appointed members shall be for four years except for the initial appointments. The initial appointments of the governor shall have the following terms: two members each for one, two, three, and four years. Compensation for board members is as provided in section 15.0575, subdivision 3.

Sec. 30. Minnesota Statutes 1998, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. [PATHWAYS PROGRAM.] The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work. The program is to be operated by the board. The board shall consult and coordinate with ~~the Job Training Partnership Act, Title II-A,~~ program administrators at the department of economic security to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions for education and training programs that serve public assistance recipients transitioning from public assistance to employment.

Preference shall be given to projects that:

- (1) provide employment with benefits paid to employees;
- (2) provide employment where there are defined career paths for trainees;
- (3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from public assistance directly to work; and
- (4) demonstrate the active participation of department of economic security workforce centers, Minnesota state college and university institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a one-to-one ratio by participating private business.

A single grant to any one institution shall not exceed ~~\$200,000~~ \$400,000.

The board shall annually, by March 31, report to the commissioners of economic security and trade and economic development on pathways programs, including the number of public assistance recipients participating in the program, the number of participants placed in employment, the salary and benefits they receive, and the state program costs per participant.

Sec. 31. Minnesota Statutes 1998, section 116L.06, subdivision 4, is amended to read:

Subd. 4. [LOAN TERMS.] Loans may be secured or unsecured, shall be for a term of no more than ~~two~~ five years, and shall bear no interest. The maximum amount of a loan is \$250,000. A loan origination fee of up to two percent of the principal of the loan may be charged. An employer may have only one outstanding loan. The loans shall contain such other standard commercial loan terms as the board deems appropriate.

Sec. 32. Minnesota Statutes 1998, section 175.17, is amended to read:

175.17 [POWERS AND DUTIES, COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY.]

(1) The commissioner shall administer the laws relating to workers' compensation and the laws governing employees of the state, a county, or other governmental subdivisions who contract tuberculosis;

(2) The commissioner shall adopt reasonable and proper rules governing rules of practice before the workers' compensation division in matters which are not before a compensation judge;

(3) The commissioner shall collect, collate, and publish statistical and other information relating to work under the department's jurisdiction and make public reports the commissioner judges necessary, including such other reports as may be required by law;

(4) The commissioner shall establish and maintain branch offices as needed for the conduct of the affairs of the workers' compensation division;

(5) The commissioner may:

(i) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources; and

(ii) apply for, accept, and disburse grants and other aids from public and private sources.

Sec. 33. Minnesota Statutes 1998, section 176.181, subdivision 2a, is amended to read:

Subd. 2a. [APPLICATION FEE.] Every initial application filed pursuant to subdivision 2 requesting authority to self-insure shall be accompanied by a nonrefundable fee of ~~\$2,500~~ \$4,000. When an employer seeks to be added as a member of an existing approved group under section 79A.03, subdivision 6, the proposed new member shall pay a nonrefundable ~~\$250~~ \$400 application fee to the commissioner at the time of application. Each annual report due August 1 under section 79A.03, subdivision 9, shall be accompanied by an annual fee of ~~\$200~~ \$500.

Sec. 34. Minnesota Statutes 1998, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after June 30, 1997, and before July 1, 1999; ~~or~~

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) located within one county and owned by a natural person who owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a nonprofit organization; or

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation; or

(3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:

(i) is owned by a cooperative organized under chapter 308A; and

(ii) all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where the wind energy production facilities of the cooperative are located.

Sec. 35. Minnesota Statutes 1998, section 216C.41, subdivision 2, is amended to read:

Subd. 2. [INCENTIVE PAYMENT.] Incentive payments shall be made according to this section to the owner or operator of a qualified hydropower facility or qualified wind energy conversion facility for electric energy generated and sold by the facility or, for a publicly owned hydropower facility, for electric energy that is generated by the facility and used by the owner of the facility outside the facility. Payment may only be made upon receipt by the commissioner of finance of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application shall be in a form and submitted at a time the commissioner establishes. There is

annually appropriated from the general fund sums sufficient to make the payments required under this section.

Sec. 36. [245.4705] [EMPLOYMENT SUPPORT SERVICES AND PROGRAMS.]

The commissioner of human services shall cooperate with the commissioner of economic security in the operation of a statewide system, as provided in section 268A.14, to reimburse providers for employment support services for persons with mental illness.

Sec. 37. [268.368] [YOUTHBUILD TECH.]

Subdivision 1. [GENERALLY.] A pilot program is established within the department to make grants to eligible organizations for programs which are available to students who have completed at least four months in a program funded under section 268.362. Programs funded under this section must provide participants with the knowledge and skills necessary to obtain entry-level jobs in the computer industry, including core computer classes and job-specific education.

Subd. 2. [GRANTS.] The provisions of section 268.361; 268.362, subdivision 2; 268.3625; and 268.366 shall apply to grants under this section.

Sec. 38. Minnesota Statutes 1998, section 268.666, is amended by adding a subdivision to read:

Subd. 5. [INTERPRETER.] Workforce centers in areas that have a significant number of residents for whom English is not the primary language must attempt to provide outreach services to those residents.

Sec. 39. Minnesota Statutes 1998, section 268.98, subdivision 3, is amended to read:

Subd. 3. [COST LIMITATIONS.] (a) For purposes of sections 268.9781 and 268.9782, funds allocated to a grantee are subject to the following limitations:

(1) a maximum of 15 percent for administration in a worker adjustment services plan and ten percent in a dislocation event services grant;

(2) a minimum of 50 percent for provision of training assistance;

~~(3) a minimum of ten percent and maximum of 30 percent for provision of support services; and no more than ten percent statewide may be allocated annually for support services, as defined in section 268.975, subdivision 13; and~~

(4) the balance used for provision of basic readjustment assistance.

(b) A waiver of the cost limitation on providing training assistance may be requested. The waiver may not permit less than 30 percent of the funds be spent on training assistance.

(c) The commissioner shall prescribe the form and manner for submission of an application for a waiver under paragraph (b). Criteria for granting a waiver shall be established by the commissioner in consultation with the workforce development council.

Sec. 40. Minnesota Statutes 1998, section 268A.13, is amended to read:

268A.13 [EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH MENTAL ILLNESS.]

The commissioner of economic security, in cooperation with the commissioner of human services, shall develop a statewide program of grants as outlined in section 268A.14 to provide services for persons with mental illness in supported employment. Projects funded under this section must: (1) assist persons with mental illness in obtaining and retaining employment; (2) emphasize individual community placements for clients; (3) ensure interagency collaboration at the local level between vocational rehabilitation field offices, county service agencies, community support programs operating under the authority of section 245.4712, and community rehabilitation providers, in assisting clients; and (4) involve clients in the planning, development, oversight, and

delivery of support services. Project funds may not be used to provide services in segregated settings such as the center-based employment subprograms as defined in section 268A.01.

The commissioner of economic security, in consultation with the commissioner of human services, shall develop a request for proposals which is consistent with the requirements of this section and section 268A.14 and which specifies the types of services that must be provided by grantees. ~~Projects shall be funded for state fiscal year 1995 and~~ Priority for funding shall be given to organizations with experience in developing innovative employment support services for persons with mental illness. Each applicant for funds under this section shall submit an evaluation protocol as part of the grant application.

Sec. 41. Minnesota Statutes 1998, section 268A.14, is amended to read:

268A.14 [PLAN FOR A STATEWIDE REIMBURSEMENT SYSTEM FOR EMPLOYMENT SUPPORT SERVICES.]

Subdivision 1. [EMPLOYMENT SUPPORT SERVICES AND PROGRAMS.] The commissioner of economic security, in cooperation with the commissioner of human services, shall ~~develop a detailed plan for establishing~~ operate a statewide system to reimburse providers for employment support services for persons with mental illness. ~~The plan must include the following: (1) protocols for certifying eligible providers; (2) standards for determining client eligibility for the service; (3) a list of reimbursable services with the proposed reimbursement level for each service; and (4) a description of the systems, including necessary computer systems, that will be used by the state agency for payment of reimbursement to eligible providers. The plan must also include projected total biennial costs for the new reimbursement system, recommendations on the nature of appeal rights which shall be provided to clients and providers, and recommendations on the necessity for agency rulemaking prior to implementation of the new reimbursement system. The system shall be operated to support employment programs and services where:~~

(1) services provided are readily accessible to all persons with mental illness so they can make progress toward economic self-sufficiency;

(2) services provided are made an integral part of all treatment and rehabilitation programs for persons with mental illness to ensure that they have the ability and opportunity to consider a variety of work options;

(3) programs help persons with mental illness form long range plans for employment that fit their skills and abilities by ensuring that ongoing support, crisis management, placement, and career planning services are available;

(4) services provided give persons with mental illness the information needed to make informed choices about employment expectations and options, including information on the types of employment available in the local community, the types of employment services available, the impact of employment on eligibility for governmental benefits, and career options;

(5) programs assess whether persons with mental illness being serviced are satisfied with the services and outcomes. Satisfaction assessments shall address at least whether persons like their jobs, whether quality of life is improved, whether potential for advancement exists, and whether there are adequate support services in place;

(6) programs encourage persons with mental illness being served to be involved in employment support services issues by allowing them to participate in the development of individual rehabilitation plans and to serve on boards, committees, task forces, and review bodies that shape employment services policies and that award grants, and by encouraging and helping them to establish and participate in self-help and consumer advocacy groups;

(7) programs encourage employers to expand employment opportunities for persons with mental illness and, to maximize the hiring of persons with mental illness, educate employers about the needs and abilities of persons with mental illness and the requirements of the Americans with Disabilities Act;

(8) programs encourage persons with mental illness, vocational rehabilitation professionals, and mental health professionals to learn more about current work incentive provisions in governmental benefits programs;

(9) programs establish and maintain linkages with a wide range of other programs and services, including educational programs, housing programs, economic assistance services, community support services, and clinical services to ensure that persons with mental illness can obtain and maintain employment;

(10) programs participate in ongoing training across agencies and service delivery systems so that providers in human services systems understand their respective roles, rules, and responsibilities and understand the options that exist for providing employment and community support services to persons with mental illness; and

(11) programs work with local communities to expand system capacity to provide access to employment services to all persons with mental illness who want them.

Subd. 2. [REPORT.] Before preparing a biennial budget request, the commissioner of economic security, in cooperation with the commissioner of human services, must report on the status and evaluation of the grants currently funded under section 268A.14 to the chairs of the policy and finance committees of the legislature having jurisdiction. The report must also include a determination of the unmet needs of persons with mental illness who require employment services and provide recommendations to expand the program to meet the identified needs.

Sec. 42. Minnesota Statutes 1998, section 298.22, subdivision 2, is amended to read:

Subd. 2. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] There is hereby created the iron range resources and rehabilitation board, consisting of ~~11~~ 13 members, five of whom are state senators appointed by the subcommittee on committees of the rules committee of the senate, and five of whom are representatives, appointed by the speaker of the house of representatives. The remaining members shall be appointed one each by the senate majority leader, the speaker of the house of representatives, and the governor and must be nonlegislators who reside in a tax relief area as defined in section 273.134. The members shall be appointed in January of every odd-numbered year, except that the initial nonlegislator members shall be appointed by July 1, 1999, and shall serve until January of the next odd-numbered year. ~~The 11th member of the board is the commissioner of natural resources.~~ Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a tax relief area as defined in section 273.134. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to the iron range resources and rehabilitation board for approval by ~~at least eight board members~~ a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

Sec. 43. Minnesota Statutes 1998, section 298.22, subdivision 6, is amended to read:

Subd. 6. [EQUITY PRIVATE ENTITY PARTICIPATION.] The board may acquire an equity interest in any project for which it provides funding. The commissioner may establish, participate in the management of, and dispose of the assets of charitable foundations and nonprofit corporations associated with any project for which it provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Sec. 44. Minnesota Statutes 1998, section 298.2213, subdivision 4, is amended to read:

Subd. 4. [PROJECT APPROVAL.] The board shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting

information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by ~~at least eight~~ a majority of the iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

Sec. 45. Minnesota Statutes 1998, section 298.223, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon approval by ~~at least eight~~ a majority of the members of the iron range resources and rehabilitation board, this list shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

Sec. 46. Minnesota Statutes 1998, section 326.86, subdivision 1, is amended to read:

Subdivision 1. [LICENSING FEE.] The licensing fee for persons licensed pursuant to sections 326.83 to 326.991 is ~~\$75~~ \$100 per year. ~~The commissioner may adjust the fees under section 16A.1285 to recover the costs of administration and enforcement. The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury and credited to the general fund.~~

Sec. 47. Minnesota Statutes 1998, section 383B.79, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The board of county commissioners shall administer the program and funds and bond for projects in this section either as a county board or a housing and redevelopment authority. The board of county commissioners may acquire property in connection with the ~~project known as the Humboldt Avenue Greenway from~~ projects in this section with any funds under its control. Any sale, lease, or development of such property by the board of county commissioners shall be conducted in accordance with section 469.029.

Sec. 48. Minnesota Statutes 1998, section 446A.072, subdivision 4, is amended to read:

Subd. 4. [FUNDING LEVEL.] (a) The authority shall provide supplemental assistance for essential project component costs as certified by the commissioner of the pollution control agency under section 116.182, subdivision 4.

(b) Except as provided in paragraph (c), a municipality may not receive more than \$4,000,000 under this section unless specifically approved by law. If a project would be eligible for more than \$4,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(c) A sanitary district or multijurisdictional wastewater treatment district may receive an



additional \$1,000,000 for each municipality participating up to a maximum grant of \$8,000,000, unless a higher amount is specifically approved by law. If a project would be eligible for more than \$8,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(d) The authority shall provide supplemental assistance for up to one-half of the eligible grant funding level determined by the United States Department of Agriculture Rural Development funding for projects listed on the agency's project priority list, in priority order. For municipalities that are not eligible for United States Department of Agriculture Rural Development funding for wastewater, the authority shall provide supplemental assistance for: (1) essential project component costs calculated by first determining the amount needed to reduce a municipality's annual residential sewer costs to 1.4 percent of the municipality's median household income or \$25 per month per household, whichever is greater, and then multiplying that amount by 80 percent to determine the actual award amount to supplement loans under section 446A.07; and (2) up to 50 percent of the incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.

~~(d)~~ (e) Notwithstanding paragraph (b), in the event that a municipality's monthly residential sewer service charges average above \$50, the authority will provide 90 percent of the grant amount needed to reduce the average monthly sewer service charge to \$50, provided the project is ranked in the top 50 percentile of the agency's intended use plan.

~~(e) Notwithstanding paragraphs (b), (c), and (d), a municipality with an annual median household income of \$40,000 or greater shall not be eligible for a grant, except for incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.~~

(f) The authority shall provide supplemental assistance to a municipality that would not otherwise qualify for supplemental assistance if:

(1) the municipality voluntarily accepts a sewer connection from another governmental unit to serve residential, industrial, or commercial developments that were completed before March 1, 1996, or are on lots whose plats were recorded before that date; and

(2) fees charged by the municipality for the connection must take into account state and federal grants used by the municipality for the construction of the treatment plant.

The amount of supplemental assistance under this paragraph must be sufficient to reduce debt service payments under section 446A.07 to an extent equivalent to a zero percent loan in an amount up to the other governmental unit's project costs necessary for connection. Eligibility for supplemental assistance under this paragraph ends three years after the agency certifies that the connection has met the operational performance standards established by the agency.

Sec. 49. Minnesota Statutes 1998, section 462A.20, subdivision 2, is amended to read:

Subd. 2. [WHICH MONEY IN FUND.] There shall be paid into the housing development fund:

- (a) Any moneys appropriated and made available by the state for the purposes of the fund;
- (b) Any moneys which the agency receives in repayment of advances made from the fund;
- (c) Any other moneys which may be made available to the agency for the purpose of the fund from any other source or sources;
- (d) All fees and charges collected by the agency;
- (e) All interest or other income not required by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund; ~~but the agency shall not expend~~

money for its cost of general administration of agency programs in any fiscal year in excess of such limit for such fiscal year as may be established by law. "Cost of general administration of agency programs" does not include debt service, amortization of deferred financing costs, loan origination costs, professional and other contractual services, any deposit or expenditure required to be made by the provisions of a bond or note resolution or indenture, or any deposit or expenditure made to preserve the security for the bonds or notes.

Sec. 50. Minnesota Statutes 1998, section 462A.20, is amended by adding a subdivision to read:

Subd. 2a. [OPERATING COSTS REPORT.] On or before February 15 of each year, the agency shall deliver a report to the chairs of the finance and appropriations committees of the legislature on the costs of operating the agency in the previous fiscal year. The report shall include the expenditures for salaries and benefits, rent, professional and technical services, general agency administration, and agency's audited financial statements which include information on expenditures and receipts relating to debt issuance and administration and loan origination and administration. The report shall include a budget plan for salaries and benefits, rent, professional and technical services, and general administration for the current fiscal year, including estimates of changes in costs from the previous fiscal year. If it appears that the costs in the current fiscal year will exceed the budget plan contained in the report submitted under this subdivision, the agency must notify the chairs of the legislative committees or divisions with jurisdiction over the agency's budget that the costs in the current fiscal year will exceed the submitted budget plan and the reasons for the changes in costs and must submit a revised budget plan to the commissioner of finance and obtain the commissioner's concurrence with the revised plan. The agency must also notify the chairs of the legislative committees or divisions with jurisdiction over the agency's budget when the agency is considering an expansion of agency activities that were not contemplated in the submitted budget plan.

Sec. 51. Minnesota Statutes 1998, section 462A.204, is amended by adding a subdivision to read:

Subd. 8. [SCHOOL STABILITY.] (a) The agency in consultation with the interagency task force on homelessness may establish a school stability project under the family homeless prevention and assistance program. The purpose of the project is to secure stable housing for families with school-age children who have moved frequently and for unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors who are leaving foster care or juvenile correctional facilities, or minors who meet the definition of a child in need of services or protection under section 260.015, subdivision 2a, but for whom no court finding has been made pursuant to that statute.

(b) The agency shall make grants to family homeless prevention and assistance projects in communities with a school or schools that have a significant degree of student mobility.

(c) Each project must be designed to reduce school absenteeism; stabilize children in one home setting, or at a minimum, in one school setting; and reduce shelter usage. Each project must include plans for the following:

(1) targeting of families with children under age 12 who, in the last 12 months have either: changed schools or homes at least once or been absent from school at least 15 percent of the school year and who have either been evicted from their housing; are living in overcrowded conditions in their current housing; or are paying more than 50 percent of their income for rent;

(2) targeting of unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the family's stability in their home; and

(4) one or more of the following:

(i) provision of rental assistance for a specified period of time, which may exceed 24 months;  
or

(ii) development of permanent supportive housing or transitional housing.

(d) Notwithstanding subdivision 2, grants under this section may be used to acquire, rehabilitate, or construct transitional or permanent housing.

(e) Each grantee under the project must include representatives of the local school district or targeted schools, or both, and of the local community correction agencies on its advisory committee.

Sec. 52. Minnesota Statutes 1998, section 462A.205, subdivision 3, is amended to read:

Subd. 3. [LOCAL HOUSING ORGANIZATION.] The agency may contract with a local housing organization to administer the rent assistance under this section. The agency may pay the local housing organization an administrative fee. ~~The administrative fee may not exceed \$40 per unit per month.~~

Sec. 53. Minnesota Statutes 1998, section 462A.209, is amended to read:

462A.209 [HOME OWNERSHIP ASSISTANCE.]

Subdivision 1. [FULL CYCLE HOME OWNERSHIP SERVICES.] The full cycle home ownership services program shall be used to fund nonprofit organizations and political subdivisions providing, building capacity to provide, or supporting full cycle lending for home ownership to low and moderate income home buyers and homeowners, including seniors. The purpose of the program is to encourage private investment in affordable housing and collaboration of nonprofit organizations and political subdivisions with each other and private lenders in providing full cycle lending services.

Subd. 2. [DEFINITION.] "Full cycle home ownership services" means supporting eligible home buyers and owners through all phases of purchasing and keeping a home, by providing prepurchase home buyer education, prepurchase counseling and credit repair, prepurchase property inspection and technical and financial assistance to buyers in rehabilitating the home, postpurchase and counseling, including home equity conversion loan counseling, mortgage default counseling, postpurchase assistance with home maintenance, entry cost assistance, and access to flexible loan products.

Subd. 3. [ELIGIBILITY.] The agency shall establish eligibility criteria for nonprofit organizations and political subdivisions to receive funding under this section. The eligibility criteria must require the nonprofit organization or political subdivision to provide, to build capacity to provide, or support full cycle home ownership services for eligible home buyers. The agency may fund a nonprofit organization or political subdivision that will provide full cycle home ownership services by coordinating with one or more other organizations that will provide specific components of full cycle home ownership services. The agency may make exceptions to providing all components of full cycle lending if justified by the application. If there are more applicants requesting funding than there are funds available, the agency shall award the funds on a competitive basis and also assure an equitable geographic distribution of the available funds. The eligibility criteria must require the nonprofit organization or political subdivision to have a demonstrated involvement in the local community and to target the housing affordability needs of the local community or to have demonstrated experience with counseling older persons on housing, or both. Partnerships and collaboration with innovative, grass roots, or community-based initiatives shall be encouraged. The agency shall give priority to nonprofit organizations and political subdivisions that provide matching funds. Applicants for funds under section 462A.057 may also apply funds under this program.

Subd. 4. [ENTRY COST HOME OWNERSHIP OPPORTUNITY PROGRAM.] The agency may establish an entry cost home ownership opportunity program, on terms and conditions it deems advisable, to assist individuals with downpayment and closing costs to finance the purchase of a home.

Sec. 54. [462A.2093] [INNOVATIVE AND INCLUSIONARY HOUSING PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them in this subdivision.

(a) "Municipality" means a town or a statutory or home rule city.

(b) "Nonmetropolitan" means the area of the state outside of the metropolitan area defined in section 473.121, subdivision 2.

(c) "Inclusionary housing development" means a new construction development including owner-occupied or rental housing, or a combination of both, with a variety of prices and designs which serve families with a range of incomes and housing needs.

Subd. 2. [APPLICATION CRITERIA.] The commissioner must give preference to economically viable proposals to the degree that they: (1) use innovative building techniques or materials to lower construction costs while maintaining high quality construction and livability; (2) are located in communities that have demonstrated a willingness to waive local restrictions which otherwise would increase costs of construction; and (3) include units affordable to households with incomes at or below 80 percent of the greater of state or area median income.

Cost savings from regulatory incentives must be reflected in the sale of all residences in an inclusionary housing development.

Sec. 55. Minnesota Statutes 1998, section 462A.21, is amended by adding a subdivision to read:

Subd. 25. [FULL CYCLE HOME OWNERSHIP SERVICES.] The agency may spend money for the purposes of section 462A.209 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 56. [462A.33] [ECONOMIC DEVELOPMENT AND HOUSING CHALLENGE PROGRAM.]

Subdivision 1. [CREATED.] The economic development and housing challenge program is created to be administered by the agency.

The program shall provide grants or loans for the purpose of construction, acquisition, rehabilitation, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to support economic development activities or job creation within a community or region by meeting locally identified housing needs.

Subd. 2. [ELIGIBLE RECIPIENTS.] Challenge grants or loans may be made to a city, a private developer, a nonprofit organization, or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21. Preference shall be given to challenge grants or loans for home ownership. To the extent practicable, grants and loans shall be made so that an approximately equal number of housing units are financed in the metropolitan area, as defined in section 473.121, subdivision 2, and in the nonmetropolitan area.

Subd. 3. [CONTRIBUTION REQUIREMENT; REGULATORY FLEXIBILITY.] Challenge grants or loans must be used for economically viable homeownership or rental housing proposals that:

(1) include a financial or in-kind contribution from an area employer and either a unit of local government or a private philanthropic, religious, or charitable organization; and

(2) address the housing needs of the local work force.

For the purpose of this subdivision, an employer contribution may consist partially or wholly of federal housing tax credits. Preference for grants and loans shall be given to comparable proposals that include regulatory changes that result in identifiable cost avoidance or cost reductions, such as increased density, flexibility in site development standards, or zoning code requirements.

Preference for grants and loans shall also be given to comparable proposals that include a financial or in-kind contribution from a unit of local government, an area employer, and a private philanthropic, religious, or charitable organization.

Subd. 4. [STATE AND LOCAL GOVERNMENT COOPERATION.] In making challenge grants or loans, the commissioner must develop a joint application process and coordinate funding with funding available to the commissioner of trade and economic development and local governments for housing and infrastructure construction and repair.

Subd. 5. [INCOME LIMITS.] Households served through challenge grants or loans must not have incomes that exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 6. [LARGE-SCALE PROJECTS.] At least one proposal funded under this section must provide sufficient resources to make a significant impact on the housing needs and economic development activities within a community.

Subd. 7. [GRANTS AND LOANS TO INDIVIDUALS.] Preference shall be given to grants and loans that provide down payments and other assistance to individuals to purchase a home. The commissioner must coordinate home ownership assistance provided to individuals under this section with other programs administered by or through the commissioner.

Sec. 57. Minnesota Statutes 1998, section 473.251, is amended to read:

473.251 [METROPOLITAN LIVABLE COMMUNITIES FUND.]

The metropolitan livable communities fund is created and consists of the following accounts:

- (1) the tax base revitalization account;
- (2) the livable communities demonstration account; ~~and~~
- (3) the local housing incentives account; and
- (4) the inclusionary housing account.

Sec. 58. [473.255] [INCLUSIONARY HOUSING ACCOUNT.]

Subdivision 1. [DEFINITIONS.] (a) "Inclusionary housing development" means a new construction development, including owner-occupied or rental housing, or a combination of both, with a variety of prices and designs which serve families with a range of incomes and housing needs.

(b) "Municipality" means a statutory or home rule charter city or town participating in the local housing incentives program under section 473.254.

Subd. 2. [APPLICATION CRITERIA.] The metropolitan council must give preference to economically viable proposals to the degree that they: (1) use innovative building techniques or materials to lower construction costs while maintaining high quality construction and livability; (2) are located in communities that have demonstrated a willingness to waive local restrictions which otherwise would increase costs of construction; and (3) include units affordable to households with incomes at or below 80 percent of area median income.

Priority shall be given to proposals where at least 15 percent of the owner-occupied units are affordable to households at or below 60 percent of the area annual median income and at least ten percent of the rental units are affordable to households at or below 30 percent of area annual median income.

An inclusionary housing development may include resale limitations on its affordable units. The limitations may include a minimum ownership period before a purchaser may profit on the sale of an affordable unit.

Cost savings from regulatory incentives must be reflected in the sale of all residences in an inclusionary development.

Subd. 3. [INCLUSIONARY HOUSING INCENTIVES.] The metropolitan council may work with municipalities and developers to provide incentives to inclusionary housing developments such as waiver of service availability charges and other regulatory incentives that would result in identifiable cost avoidance or reductions for an inclusionary housing development.

Subd. 4. [INCLUSIONARY HOUSING GRANTS.] The council shall use funds in the inclusionary housing account to make grants or loans to municipalities to fund the production of inclusionary housing developments that are located in municipalities that offer incentives to assist in the production of inclusionary housing. Such incentives include but are not limited to: density bonuses, reduced setbacks and parking requirements, decreased roadwidths, flexibility in site development standards and zoning code requirements, waiver of permit or impact fees, fast-track permitting and approvals, or any other regulatory incentives that would result in identifiable cost avoidance or reductions that contribute to the economic feasibility of inclusionary housing.

Subd. 5. [GRANT APPLICATION.] A grant application must at a minimum include the location of the inclusionary development, the type of housing to be produced, the number of affordable units to be produced, the monthly rent, or purchase price of the affordable units, and the incentives provided by the municipality to achieve development of the affordable units.

Sec. 59. 1999 S.F. No. 1485, section 1, if enacted, is amended to read:

Section 1. [326.105] [FEES.]

(a) The fee for licensure or renewal of licensure as an architect, professional engineer, land surveyor, landscape architect, or geoscience professional is ~~\$120~~ \$104 per biennium. The fee for certification as a certified interior designer or for renewal of the certificate is ~~\$120~~ \$104 per biennium. The fee for an architect applying for original certification as a certified interior designer is \$50 per biennium. The initial license or certification fee for all professions is ~~\$120~~ \$104. The renewal fee shall be paid biennially on or before June 30 of each even-numbered year. The renewal fee, when paid by mail, is not timely paid unless it is postmarked on or before June 30 of each even-numbered year.

~~(b) The application fee is \$25 for in-training applicants and \$75 for professional license applicants.~~

(e) The fee for monitoring licensing examinations for applicants is \$25, payable by the applicant.

Sec. 60. Laws 1998, chapter 404, section 13, subdivision 5, is amended to read:

Subd. 5. Labor Interpretive Center 6,000,000

For renovation and upgrades to the East Building of the Science Museum for use for the Minnesota Labor Interpretive Center. The balance of the cost of the project is to be paid with funds from nonstate sources.

Sec. 61. Laws 1998, First Special Session chapter 1, article 3, section 8, is amended to read:

Sec. 8. [JUDY GARLAND CHILDREN'S MUSEUM.]

The appropriation in Laws 1997, chapter 200, article 1, section 2, subdivision 2, to the commissioner of trade and economic development for the Judy Garland Children's Museum is available until and may be matched until June 30, 1999 2000.

Sec. 62. [GRANT COUNTY.]

A grant by the commissioner of trade and economic development to Grant county for

community infrastructure improvements needed to develop value-added agriprocessing facilities is not subject to the maximum grant limitation of Minnesota Statutes, section 116J.8731, subdivision 5, or agency policy regarding maximum grant per job created.

Sec. 63. [REPORT TO LEGISLATURE.]

The commissioner of the Minnesota housing finance agency shall report to the legislature by February 1, 2001, on current and proposed strategies related to HIV/AIDS for coordinating local, state, and federal housing resources to address identified opportunities and needs, plans for future implementation, and recommendations for future legislative action. The commissioner shall consult with the commissioners of health and human services and representatives of affected populations in preparing this report.

Sec. 64. [REPORT TO LEGISLATURE.]

The board of electricity, in consultation with the commissioner of finance, shall report to the legislature by January 15, 2000, on:

- (1) the board's efforts to control its administrative costs;
- (2) the board's efforts to involve the members of its citizen board in its business activities;
- (3) the progress of the board's computer system improvements; and
- (4) a proposal for codification of the board's fee schedule, including any changes to the schedule that the board deems appropriate.

The commissioner of finance shall oversee the board's activities under clauses (1) to (4) and related activities.

Sec. 65. [FEE INCREASES PROHIBITED.]

The board of electricity shall not, prior to July 1, 2000, increase any handling or inspection fees set pursuant to Minnesota Statutes, section 326.244, subdivision 2, paragraph (b).

Sec. 66. [MEMBERSHIP AGREEMENT.]

The commissioner shall request the executive board of the World Trade Centers Association to transfer the membership of the Minnesota world trade center corporation in the World Trade Centers Association to the department of trade and economic development, Minnesota trade office.

Sec. 67. [TRANSFERS.]

All of the rights and obligations of the Minnesota World Trade Center Corporation under the development agreement and all existing contracts related to the approximately 20,000 square feet to which the world trade center corporation is a party or beneficiary is transferred to the state of Minnesota, department of trade and economic development, Minnesota trade office. All other property of the world trade center corporation is transferred and appropriated to the commissioner per Minnesota Statutes 1998, section 15.039.

Sec. 68. [TRANSFER.]

The unobligated balance as of July 1, 1999, of the amount appropriated to the department of trade and economic development for a grant to the Minnesota World Trade Center Corporation in Laws 1992, chapter 513, article 4, section 17, subdivision 2, is transferred to the world trade center account in the special revenue fund in the state treasury for world trade center activities.

Sec. 69. [TRANSFER OF POSITIONS AND EMPLOYEES.]

All positions and employees of the World Trade Center Corporation are transferred to the executive branch of the state government under the department of trade and economic development on July 1, 1999, under the following conditions.

The commissioner of employee relations will determine which positions are to be placed in the classified service and which are placed in the unclassified service of the state in accordance with appropriate provisions of Minnesota Statutes, chapter 43A. The commissioner will allocate positions to appropriate classes in the state classification plan. Positions transferred with their incumbents do not create vacancies in state service.

Employees transferred to unlimited classified positions are transferred to state service without examinations. Those transferred to positions in the managerial plan pursuant to Minnesota Statutes, section 43A.18, subdivision 3, who have completed 12 months of service in their position and all others who have completed six months of service in their positions are transferred with permanent status. Employees transferred to managerial positions with less than 12 months of service in their positions are transferred with probationary status. However, all time spent by these employees in the positions must be credited toward meeting the probationary period requirement of the contract or plan governing the classification to which their positions have been assigned.

Employees transferred to limited classified positions or to temporary unclassified positions shall receive emergency, temporary, or temporary unclassified appointments under provisions of Minnesota Statutes, section 43A.15, subdivisions 2 and 3, or Minnesota Statutes, section 43A.08, subdivision 2a, as appropriate.

The appointing authority and incumbent employees of unlimited positions whose positions have been assigned by the department of employee relations to classes in the state classification plan shall have access to the provisions of Minnesota Statutes, section 43A.07, subdivision 3, regarding protested allocation of their positions effective July 1, 1999, and for 30 days thereafter.

Sec. 70. [REPORT; REGULATION OF RISK-BEARING ENTITIES.]

The commissioners of commerce and health shall study the issues involved in consistent regulation of all entities that assume financial risks related to health coverage in this state. The study must consider all such entities, regardless of current licensure or regulation. The study must include a plan for consistent regulation that can be implemented in a cost neutral manner for such entities and their enrollees and does not result in dual regulation. The commissioners must consider laws recently enacted by the state of Ohio on this subject and any relevant model laws or regulations adopted or under consideration by the National Association of Insurance Commissioners. The commissioners shall provide a written report, with recommendations, to the legislature in compliance with Minnesota Statutes, section 3.195, no later than January 15, 2000.

Sec. 71. [DIRECT REDUCTION IRON PROCESSING FACILITIES APPROPRIATION TRANSFER.]

The appropriation of \$10,000,000 made to the commissioner of trade and economic development for direct reduction iron processing facilities by Laws 1998, chapter 404, section 23, subdivision 3, is transferred and appropriated to the Minnesota minerals 21st century fund created by Minnesota Statutes, section 116J.423. The matching requirements of Minnesota Statutes, section 116J.424, do not apply to expenditures from the appropriation transferred by this section.

Sec. 72. [UPPER RED LAKE BUSINESS LOAN PROGRAM.]

The commissioner of trade and economic development must make loans to businesses in the Upper Red Lake area that have been severely affected by the significant decline of the walleye fishing resource in Upper Red Lake. The loans may only be made to businesses that operated in 1998. A business must submit an application to the commissioner on forms provided by the commissioner. The application must include a business plan for continued operation, with the assistance of the loan, until the walleye fishing resource recovers. The commissioner shall allocate available loan funds to a business based on the commissioner's evaluation of the probable success of its business plan. A loan shall be for a maximum amount of \$75,000 and a duration of ten years from the date of the loan and shall be interest free. Repayment of a loan in monthly payments of 1/120 of the original principal amount must begin no later than one year after walleye fishing on Upper Red Lake is allowed by the department of natural resources. Any principal balance remaining at the end of the ten-year period shall be forgiven if the business continues in operation for the ten-year period. Loan repayments shall be deposited in the general fund.



## Sec. 73. [PIPESTONE INDIAN SCHOOL AUTHORIZATION.]

Notwithstanding Minnesota Statutes, section 16A.695, the board of trustees of the Minnesota state colleges and universities may convey by quitclaim deed, at no cost, the state's interest in the historic Pipestone Indian school superintendent's house and gymnasium at the Pipestone campus of Minnesota West community and technical college. The conveyance shall be in a form approved by the attorney general.

The deed must reserve to the state all minerals and mineral rights and provide that the property shall revert to the state if the grantee:

- (1) fails to provide the use intended on the property;
- (2) allows a public use other than the use agreed to by the board without the written approval of the board; or
- (3) abandons the use of the property.

## Sec. 74. [PASS THROUGH GRANT EVALUATION PROCESS.]

This act makes various appropriations that are commonly referred to as pass through appropriations. The director of the Minnesota office of strategic and long-range planning shall evaluate the following entities to determine the extent to which their programs (i) are effective in accomplishing the mission of the entity receiving the grant; (ii) leverage additional funds from nonstate sources; and (iii) are consistent with the mission of the state agency by which the grant is administered. The director shall report the results of the evaluation to the legislative finance divisions or committees having jurisdiction over the appropriations in this act. The entities to be evaluated are:

- (1) Advantage Minnesota, Inc.;
- (2) Rural policy and development center;
- (3) metropolitan economic development association;
- (4) WomenVenture;
- (5) Minnesota Inventor's Congress;
- (6) Minnesota Project Innovation;
- (7) Natural Resources Research Institute;
- (8) Minnesota Council for Quality;
- (9) Minnesota Cold Weather Research Center;
- (10) Center for Victims of Torture;
- (11) St. Paul Rehabilitation Center;
- (12) Microenterprise Assistance;
- (13) NeighborLink Community Program; and
- (14) Neighborhood Development Corporation.

## Sec. 75. [LOW-INCOME ENERGY TASK FORCE.]

The management analysis division of the department of administration, in consultation with the appropriate commissioners, shall report to the legislature by January 15, 2000, on the future of low-income energy assistance. The report shall be developed with the input of appropriate consumer advocates, energy providers of various fuel types, energy assistance delivery organizations and other interested parties.

The report shall analyze and make recommendations in the following areas:

(1) improvements necessary in the administration of low-income energy assistance programs to develop a uniform statewide assistance network, including outreach efforts, eligibility determination, and areas for technological improvements;

(2) development of an accurate and consistent method to determine the number of Minnesotans who should be eligible for energy assistance and the level of assistance which should be provided; and

(3) analyze funding level and revenue options for low-income energy assistance programs consistent with competitive electric and gas energy markets.

Sec. 76. [STATE MARKETING PLAN.]

The commissioner of the department of trade and economic development shall develop a comprehensive marketing plan for the state's trade, tourism, and economic development activities. The plan shall include a strategy for integrating the various marketing activities of the state, including, but not limited to, the Minnesota trade office, the office of tourism, the Minnesota film board, Advantage Minnesota, the Minnesota historical society, and the department of natural resources. The commissioner shall consult with other state agencies that market Minnesota for economic development and tourism purposes and incorporate those activities into a comprehensive "Marketing Minnesota" plan. The commissioner shall propose consolidation, mergers, and other mechanisms that may be necessary to accomplish this task. The commissioner shall submit recommendations to the senate economic development budget division and the house jobs and economic development finance committee by February 1, 2000.

Sec. 77. [REPORT.]

The commissioner of trade and economic development shall submit a report to the legislature reviewing business regulations contained in Minnesota Statutes and Minnesota Rules that have a positive or negative impact on the business climate in Minnesota. The commissioner shall submit the report to the legislature under Minnesota Statutes, section 3.195, by February 15, 2000.

Sec. 78. [TASK FORCE CREATED.]

The governor's airport community stabilization funding task force is created. The task force shall identify and recommend funding sources for implementation of noise mitigation measures identified in the MSP Noise Mitigation Program Report dated November 1996, and the low noise frequency policy committee convened by the metropolitan airports commission, the metropolitan council, and the city of Richfield in February 1998.

Recommendations shall be provided to the governor and legislature by January 15, 2000. Funding sources shall include, but not be limited to, federal, state, metropolitan airports commission, and local sources. The task force shall, to the extent possible, identify all federal revenue sources that will mitigate noise impacts from the north/south runway.

The governor shall appoint task force members that include representatives from the following:

(1) the metropolitan airports commission chair or designee and one other metropolitan airports commission board member;

(2) one member from the governor's staff;

(3) the commissioner of finance or the commissioner's designee;

(4) representatives designated by the governing boards of the following cities:

(i) Bloomington;

(ii) Minneapolis;

(iii) Burnsville;

(iv) Eagan; and

(v) Richfield;

(5) two at-large designees appointed by the governor; and

(6) the commissioner of the department of trade and economic development or the commissioner's designee.

The task force shall be administered and supported by the department of trade and economic development.

The first meeting of the task force must be convened no later than July 31, 1999.

Sec. 79. [PUBLIC UTILITIES COMMISSION RIGHT-OF-WAY COST ALLOCATION.]

The public utilities commission shall use available general fund appropriations made during the biennium ending June 30, 1999, to pay for up to \$30,000 of the costs allocated and assessed to local units of government for right-of-way rulemaking proceedings. The allocation and assessment of costs to the local units of government shall be canceled to the extent paid pursuant to this section.

Sec. 80. [REPEALER.]

(a) Minnesota Statutes 1998, sections 44A.001; 44A.01; 44A.02; 44A.023; 44A.025; 44A.031; 44A.0311; 44A.06; 44A.08; 44A.11; and 462A.28, are repealed.

(b) Minnesota Statutes 1998, sections 469.305; 469.306; 469.307; 469.308; and 469.31, are repealed.

(c) Minnesota Statutes 1998, sections 341.01; 341.02; 341.04; 341.045; 341.05; 341.06; 341.07; 341.08; 341.09; 341.10; 341.11; 341.115; 341.12; 341.13; and 341.15, are repealed.

(d) Minnesota Statutes, section 82B.201, as added by Laws 1999, chapter 137, section 5, is repealed effective retroactively to the day following final enactment of Laws 1999, chapter 137, so that Minnesota Statutes, section 82B.201, as so added, never takes effect.

Sec. 81. [EFFECTIVE DATES.]

Section 48 is effective March 1, 2000.

Sections 59, 61, 62, 64, 65, and 79 are effective the day following final enactment.

Section 67 is effective June 30, 1999.

Section 80, paragraph (a), is effective July 1, 1999.

Section 80, paragraph (b), is effective July 1, 2000.

Section 80, paragraph (c), is effective July 1, 2001.

### ARTICLE 3

#### WORKFORCE DEVELOPMENT AND TRAINING

Section 1. Minnesota Statutes 1998, section 116L.03, subdivision 1, is amended to read:  
Subdivision 1. [MEMBERS.] The partnership shall be governed by a board of ~~11~~ 12 directors.

Sec. 2. Minnesota Statutes 1998, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] The Minnesota job skills partnership board consists of: ~~eight~~ nine

members appointed by the governor, the commissioner of trade and economic development, the commissioner of economic security, and the chancellor, or the chancellor's designee, of the Minnesota state colleges and universities. If the chancellor makes a designation under this subdivision, the designee must have experience in technical education. Two of the appointed members must be representatives from organized labor.

Sec. 3. Minnesota Statutes 1998, section 268.022, is amended to read:

268.022 [WORKFORCE INVESTMENT DEVELOPMENT FUND.]

Subdivision 1. [DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.] (a) In addition to all other taxes, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of taxes is liable for a special assessment levied at the rate of one-tenth of one percent per year until June 30, 2000, and seven-hundredths of one percent per year on and after July 1, 2000, on all taxable wages, as defined in section 268.04, subdivision 25b. The assessment shall become due and be paid by each employer to the department on the same schedule and in the same manner as other taxes.

(b) The special assessment levied under this section shall not affect the computation of any other taxes, assessments, or payment obligations due under this chapter.

~~(c) Notwithstanding any provision to the contrary, if on June 30 of any year the unobligated balance of the special assessment fund under this section is greater than \$30,000,000, the special assessment for the following year only shall be levied at a rate of 1/20th of one percent on all taxable wages.~~

Subd. 2. [DISBURSEMENT OF SPECIAL ASSESSMENT FUNDS.] (a) The money collected under this section shall be deposited in the state treasury and credited to ~~a dedicated~~ the workforce development fund to provide for the employment and training programs established under sections 268.975 to 268.98; including vocational guidance, training, placement, and job development. The workforce development fund is created as a special account in the state treasury.

(b) All money in the ~~dedicated~~ fund not otherwise appropriated or transferred is appropriated to the commissioner who must act as the fiscal agent for the money and must disburse ~~the that~~ money for the purposes of this section, not allowing the money to be used for any other obligation of the state. All money in the ~~dedicated~~ workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other ~~dedicated funds~~ special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) No more than five percent of the ~~dedicated~~ funds collected in each fiscal year may be used by the department of economic security for its administrative costs.

(d) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(e) The ~~dedicated~~ funds appropriated to the commissioner, less amounts under paragraphs (c) and (d) shall be allocated as follows:

(1) 40 percent to be allocated annually to substate grantees for provision of expeditious response activities under section 268.9771 and worker adjustment services under section 268.9781; and

(2) 60 percent to be allocated to activities and programs authorized under sections 268.975 to 268.98.

(f) Any funds not allocated, obligated, or expended in a fiscal year shall be available for allocation, obligation, and expenditure in the following fiscal year.

Sec. 4. [COMPREHENSIVE WORKFORCE DEVELOPMENT ANALYSIS.]

The commissioner of the department of economic security, the commissioner of trade and economic development, the chancellor of the Minnesota state colleges and universities, and the director of the Minnesota office of strategic and long-range planning shall conduct a multi-agency study of strategic consolidation of workforce training in the state and submit their report to the governor and the legislature by January 15, 2000. The purpose of the study is to identify workforce training programs administered by state agencies and to recommend any program changes or consolidations which would serve to encourage the growth of high-skill, high-wage jobs while ensuring that the state has an adequate number of workers with the skills necessary to succeed in those jobs. The study will address the extent to which consolidations or program changes would achieve the following objectives:

(1) effective and efficient training, retraining, and upgrading of the workforce to succeed in high-skill, high-wage jobs;

(2) encouragement to those not currently in the workforce to enter or reenter the labor market;

(3) increasing access to information about jobs and the labor market;

(4) facilitation of efficient job placement;

(5) encouragement and facilitation of productivity enhancements in the public and private sectors.

Sec. 5. [TRANSFER OF DISLOCATED WORKER PROGRAM FUNCTION TO DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT.]

The responsibility of the department of economic security for the dislocated workers program under Minnesota Statutes, sections 268.022 and 268.975 to 268.98, is transferred pursuant to Minnesota Statutes, section 15.039 to the jobs skills partnership board.

Sec. 6. [WORKFORCE DEVELOPMENT FUND; SUCCESSOR IN INTEREST.]

The workforce development fund is a renaming of the workforce investment fund and all money in the workforce investment fund shall be transferred to the workforce development fund.

Sec. 7. [APPROPRIATION.]

\$29,000,000 is appropriated on July 1, 1999, from the general fund to the Minnesota workforce development fund, created under Minnesota Statutes, section 268.022.

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 2, and 5 are effective July 1, 2000."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for economic development and certain agencies of state government; establishing and modifying programs; regulating activities and practices; modifying fees; making conforming changes; requiring reports; providing criminal penalties; amending Minnesota Statutes 1998, sections 45.0295; 53A.03; 53A.05, subdivision 1; 60A.14, subdivision 1; 60A.23, subdivision 8; 60A.71, subdivision 7; 60K.06; 65B.48, subdivision 3; 70A.14, subdivision 4; 72B.04, subdivision 10; 79.255, subdivision 10; 82A.08, subdivision 2; 82A.16, subdivisions 2 and 6; 116J.415, subdivision 5; 116J.421, subdivisions 2, 3, and by adding subdivisions; 116J.63, subdivision 4; 116J.8745, subdivisions 1 and 2; 116L.03, subdivisions 1, 2, and 5; 116L.04, subdivision 1a; 116L.06, subdivision 4; 175.17; 176.181, subdivision 2a; 216C.41, subdivisions 1 and 2; 268.022; 268.666, by adding a subdivision; 268.98, subdivision 3; 268A.13; 268A.14; 298.22, subdivisions 2 and 6; 298.2213, subdivision 4; 298.223, subdivision 2; 326.105, if enacted; 326.86, subdivision 1; 383B.79, subdivision 4; 446A.072, subdivision 4; 462A.20, subdivision 2, and by adding a subdivision; 462A.204, by adding a subdivision; 462A.205, subdivision 3; 462A.209; 462A.21, by adding a subdivision; and 473.251; Laws 1998, chapter 404, section 13, subdivision 5; Laws 1998, First

Special Session chapter 1, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapters 82B; 116J; 245; 268; 462A; and 473; repealing Minnesota Statutes 1998, sections 44A.001; 44A.01; 44A.02; 44A.023; 44A.025; 44A.031; 44A.0311; 44A.06; 44A.08; 44A.11; 341.01; 341.02; 341.04; 341.045; 341.05; 341.06; 341.07; 341.08; 341.09; 341.10; 341.11; 341.115; 341.12; 341.13; 341.15; 462A.28; 469.305; 469.306; 469.307; 469.308; and 469.31; Laws 1999, chapter 137, section 5."

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

House Conferees: (Signed) Dan McElroy, Bob Gunther, Gregory M. Davids, Arlon Lindner

Senate Conferees: (Signed) Jerry R. Janezich, Steven G. Novak, Dave Johnson, Linda Runbeck, Pat Pariseau

Senator Janezich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2390 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. 2390 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 51 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Pariseau	Stevens
Belanger	Higgins	Larson	Piper	Stumpf
Berg	Janezich	Lesewski	Pogemiller	Ten Eyck
Berglin	Johnson, D.E.	Lourey	Price	Terwilliger
Betzold	Johnson, D.H.	Marty	Ranum	Wiener
Cohen	Johnson, J.B.	Metzen	Robertson	Wiger
Day	Kelley, S.P.	Moe, R.D.	Robling	Ziegler
Fischbach	Kelly, R.C.	Murphy	Sams	
Flynn	Knutson	Novak	Samuelson	
Foley	Krentz	Oliver	Scheid	
Frederickson	Laidig	Olson	Spear	

Those who voted in the negative were:

Dille	Kleis	Neuville	Ourada	Runbeck
Kierlin	Limmer			

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 Senate File No. 319, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 319:** A bill for an act relating to retirement; various pension plans; providing special benefit coverage for privatized employees of the Luverne public hospital, the Waconia Ridgeview medical center, and the Glencoe area health center; creating a local government correctional service retirement plan; modifying actuarial cost provision; providing a special property tax levy for certain county retirement contributions; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; establishing an additional postretirement adjustment for the Fairmont police relief association; extending survivor benefit provisions to include certain Fairmont police relief association survivors; providing a special ad hoc

postretirement adjustment to certain retired St. Cloud police officers; merging the pre-March 1, 1999, local police and paid fire consolidation accounts into the public employees police and fire plan; extending the minimum volunteer firefighter fire state aid amount to post-1993 relief association members; modifying governance provisions for the Minneapolis fire department relief association and the Minneapolis police relief association; providing a targeted early retirement incentive program for certain employees of the metropolitan council; permitting the purchase of service credit by various public employees; mandating certain school district service credit purchase payments; making miscellaneous changes in the legislators retirement plan, the Minnesota state colleges and university system individual retirement account plan, the Minnesota state retirement system, and the teachers retirement association; including supplemental needs trusts as recipients of optional annuity forms; eliminating the service credit maximum for monthly benefit volunteer fire relief associations; mandating school district repayment of certain omitted deduction interest charges; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; authorizing the purchase of credit for certain periods of prior military service, out-of-state public teaching service, maternity leaves, maternity breaks-in-employment, parochial or private school teaching service, Peace Corps service or VISTA service; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various benefit provisions for certain Minnesota state colleges and universities employees; reducing the membership of the legislative commission on pensions and retirement; requiring a study; authorizing the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association to purchase or construct an administrative building; authorizing the issuance of certain revenue bonds; amending Minnesota Statutes 1998, sections 3.85, subdivisions 3, 11, and 12; 3A.02, subdivision 1b; 43A.27, subdivision 3; 69.021, subdivisions 7 and 10; 69.031, subdivision 5; 122A.46, subdivision 2; 136F.48; 273.1385, subdivision 2; 352.03, subdivision 1; 352.90; 352.91, by adding a subdivision; 352.92, subdivisions 1 and 2; 352.93, subdivision 2a; 352B.08, subdivision 2a; 353.01, subdivisions 2b, 10, and 16; 353.03, subdivision 4; 353.27, subdivisions 2 and 3; 353.64, subdivision 1; 353.65, subdivisions 2 and 3; 353.651, subdivision 4; 353A.083, by adding a subdivision; 353A.09, subdivisions 4, 5, and by adding a subdivision; 354.05, subdivision 40; 354.06, subdivisions 1 and 7; 354.10, subdivision 4; 354.445; 354.66, subdivisions 1b, 1c, and 3; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.11; 354C.12, subdivision 4; 356.19, by adding subdivisions; 356.20, subdivision 2; 356.215, subdivision 4g; 356.24, subdivision 1; 356.30, subdivision 3; 356.302, subdivision 7; and 356.303, subdivision 4; 356.55, subdivisions 1 and 6; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18, subdivision 2; 422A.22, subdivisions 4 and 5; and 422A.23; 423A.02, subdivisions 1b, 2, and by adding subdivisions; and 423B.07; Laws 1977, chapter 61, section 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354; 354A; 354B; 356; and 422A; proposing coding for new law as Minnesota Statutes, chapters 353E; and 353F; repealing Minnesota Statutes 1998, sections 353.33, subdivision 3a; 353.65, subdivision 3a; 422A.16, subdivision 3a; and 424A.02, subdivision 5; Laws 1998, chapter 390, article 1, section 1.

Senate File No. 319 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. 685, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 685:** A bill for an act relating to telecommunications; deregulating coin-operated or

public pay telephones under state law; authorizing the public utilities commission to assess administrative penalties for anticompetitive activities by telecommunication providers; amending Minnesota Statutes 1998, section 237.5799; proposing coding for new law in Minnesota Statutes, chapter 237.

Senate File No. 685 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. 1831, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1831:** A bill for an act relating to crime prevention; making miscellaneous changes to certain forfeiture provisions; amending Minnesota Statutes 1998, sections 169.1217, subdivisions 7 and 7a; and 609.5314, subdivisions 2 and 3.

Senate File No. 1831 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. 653, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 653:** A bill for an act relating to government data practices; clarifying electronic access to data; modifying notice requirements for students and employees; classifying data; clarifying the status of data on parents held by educational entities; authorizing access to medical records by adult children of a deceased patient; eliminating inconsistent language; authorizing dissemination of personnel data; authorizing sharing of certain data for tax administration purposes; changing deadlines for providing data; clarifying and modifying access to data on employees reporting violations of law; making certain rideshare program data on individuals private; amending Minnesota Statutes 1998, sections 13.03, subdivision 3; 13.04, subdivisions 2 and 3; 13.32, subdivisions 2 and 3; 13.43, by adding a subdivision; 13.47; 15.17, subdivisions 1 and 2; 141.30; 144.335, subdivision 1; 181.932, subdivision 2; 270B.03, subdivisions 1 and 5; 270B.14, by adding a subdivision; and 273.124, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1998, sections 13.72, subdivision 2; 504.23; and 504A.595.

Senate File No. 653 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. 369, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 369:** A bill for an act relating to health occupations; permitting physician assistants to render care in disasters without physician and physician assistant agreements; proposing coding for new law in Minnesota Statutes, chapter 147A.

Senate File No. 369 is herewith returned to the Senate.



Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1999

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1762 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON 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.

May 15, 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. 1762, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1762 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16C.05, subdivision 2, is amended to read:

Subd. 2. [CREATION AND VALIDITY OF CONTRACTS.] (a) A contract is not valid and the state is not bound by it unless:

(1) it has first been executed by the head of the agency or a delegate who is a party to the contract;

(2) it has been approved by the commissioner;

(3) it has been approved by the attorney general or a delegate as to form and execution;

(4) the accounting system shows an obligation in an expense budget or encumbrance for the amount of the contract liability; and

(5) the combined contract and amendments shall not exceed five years, without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years unless the commissioner determines that a longer duration is in the best interest of the state.

(b) Grants, interagency agreements, purchase orders, and annual plans need not, in the discretion of the commissioner and attorney general, require the signature of the commissioner and/or the attorney general.

(c) A fully executed copy of every contract must be kept on file at the contracting agency.

Sec. 2. Minnesota Statutes 1998, section 16C.09, is amended to read:

16C.09 [PROCEDURE FOR SERVICE CONTRACTS.]

(a) Before entering into or approving a service contract, the commissioner must determine, at least, that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) the contractor and agents are not employees of the state;

(5) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; and

(6) the combined contract and amendments will not exceed five years, without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years, unless the commissioner determines that a longer duration is in the best interest of the state.

(b) For purposes of paragraph (a), clause (1), employees are available if qualified and:

(i) (1) are already doing the work in question; or

(ii) (2) are on layoff status in classes that can do the work in question.

An employee is not available if the employee is doing other work, is retired, or has decided not to do the work in question.

Sec. 3. Minnesota Statutes 1998, section 160.085, subdivision 1, is amended to read:

Subdivision 1. [RECORDING MAP OR PLAT; CERTIFICATION.] (a) In order to facilitate the acquisition of right-of-way required for highways, state and county road authorities may file for record in the office of the county recorder or registrar of titles in the county in which right-of-way is to be acquired, such orders or resolutions, as required by law, in the form of maps or plats showing right-of-way by course distance, bearing and arc length, and other rights or

interests in land to be acquired as the road authority determines necessary. Said map or plat shall show by outline all tracts or parcels of land affected by the proposed acquisition.

(b) The map or plat, as to trunk highways, shall be certified by the commissioner of transportation or the commissioner's designated assistant and any by a licensed land surveyor in the employ of the state as to trunk highways.

(c) The map or plat shall be certified as to county state-aid highways and county highways by the chair of the county board or the county engineer or the engineer's designated assistant, and by a licensed land surveyor in the employ of the county.

(d) The map or plat so certified is entitled to record without compliance with the provisions of chapter 505. Neither a witness nor an acknowledgment is required for a map or plat certified under this subdivision. Any amendments, alterations, corrections, rescissions or vacations of such orders, resolutions, maps or plats so filed shall be entitled to record in like manner. The recorder or registrar may make suitable notations on the appropriate map or plat affected by an amendment, alteration, correction, rescission or vacation to direct the attention of anyone examining the record to the proper map or plat.

Sec. 4. Minnesota Statutes 1998, section 160.085, subdivision 1a, is amended to read:

Subd. 1a. [AMENDING RECORDED MAP OR PLAT.] If an error on a map or plat incorrectly defines the intended acquisition, but does not affect any rights of interest to be acquired, a certificate may be prepared stating what the defect is, what the correct information is, and which map or plat the certificate affects. The certificate shall be signed by a licensed land surveyor ~~in the employ of the state or county~~. The certificate shall be filed for record in the office of the county recorder or registrar of titles in the county where the map or plat is filed. When so filed the certificate shall amend the map or plat. The recorder or registrar may make suitable notations on the map or plat to which the certificate refers to direct the attention of anyone examining the map or plat to the record of the certificate.

Sec. 5. Minnesota Statutes 1998, section 161.04, subdivision 3, is amended to read:

Subd. 3. [TRUNK HIGHWAY REVOLVING LOAN ACCOUNT.] A trunk highway revolving loan account is created in the ~~trunk highway fund~~ transportation revolving loan fund under section 446A.085. The commissioner may transfer money from the trunk highway fund to the trunk highway revolving loan account. Money in the account may be used to make loans. Funds in the trunk highway revolving loan account may not be used for any toll facilities project or congestion-pricing project and may be used only for trunk highway purposes and repayments and interest from loans of those funds must be credited to the trunk highway revolving loan account in the ~~trunk highway~~ transportation revolving loan fund. Money in the trunk highway revolving loan account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the trunk highway revolving loan account.

Sec. 6. Minnesota Statutes 1998, section 161.04, is amended by adding a subdivision to read:

Subd. 4. [LOANS FOR TRUNK HIGHWAY PROJECTS.] Loans from the transportation revolving loan fund to the commissioner for trunk highway projects must be deposited in the trunk highway fund. Loan proceeds are appropriated annually to the commissioner and do not lapse. Principal and interest payments on the loan proceeds must be paid from the debt service account and are considered a long-term obligation of the trunk highway fund.

Sec. 7. Minnesota Statutes 1998, section 161.115, subdivision 164, is amended to read:

Subd. 164. [ROUTE NO. 233.] Beginning at a point in Section 35, Township 135 North, Range 26 28 West; thence extending in a general southerly direction to a point on Route No. 18 at or near Brainerd.

Sec. 8. Minnesota Statutes 1998, section 161.16, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION AND LOCATION BY ORDER.] The commissioner shall by order or orders designate such temporary trunk highways, and on determining the definite location of any trunk highway or portion thereof, the same shall also be designated by order or orders. The definite location of such highway or portion thereof may be in the form of a map or plat showing the lands and interests in lands required for trunk highway purposes. Formal determination or order if by map or plat, shall be certified by the commissioner of transportation on said map or plat. The commissioner may, by similar order or orders, change the definite location of any trunk highway between the fixed termini, as fixed by law, when such changes are necessary in the interest of safety and convenient public travel. The commissioner shall file certified copies of such orders with the county auditor of the county wherein such highways are located. ~~Such certified copies shall become maintain a file of these orders as permanent records and shall not be removed from the office or offices wherein filed.~~

Sec. 9. Minnesota Statutes 1998, section 161.32, subdivision 2, is amended to read:

Subd. 2. [DIRECT NEGOTIATION.] In cases where the estimated cost of construction work or maintenance work does not exceed ~~\$75,000~~ \$150,000, the commissioner may enter into a contract for the work by direct negotiation, by obtaining two or more quotations for the work, and without advertising for bids or otherwise complying with the requirements of competitive bidding if the total contractual obligation of the state for the directly negotiated contract or contracts on any single project does not exceed ~~\$75,000~~ \$150,000. All quotations obtained shall be kept on file for a period of at least one year after receipt of the quotation.

Sec. 10. Minnesota Statutes 1998, section 162.06, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATE.] ~~On or before the second Tuesday of January By December 15 of each year the commissioner shall estimate the probable sum amount of money that will accrue be available to the county state-aid highway fund during the first six months of each that fiscal year ending June 30. To such estimated amounts the commissioner shall add the sum of money already accrued in the county state-aid highway fund for the last preceding six-month period ending December 31 of each year, adjusted to reflect the amount by which The amount available must be based on actual receipts for the preceding January 1 to June 30 were different from estimated receipts from July 1 through November 30, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. The total of such sums available, except for deductions to be first made as provided herein, shall be apportioned by the commissioner to the several counties as hereinafter provided.~~

Sec. 11. Minnesota Statutes 1998, section 162.06, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE COSTS OF DEPARTMENT.] ~~From the total of such sums the commissioner shall deduct A sum equal to of 1-1/2 percent of the total sum. The sum so deducted shall be set aside in a separate account and shall be deducted from the total amount available in the county state-aid highway fund, set aside in a separate account, and used for administrative costs incurred by the state transportation department in carrying out the provisions relating to the county state-aid highway system. On the 31st day of December of each year any money remaining in the account not needed for administrative costs shall be transferred to the county state-aid highway fund.~~

Sec. 12. Minnesota Statutes 1998, section 162.06, subdivision 6, is amended to read:

Subd. 6. [COUNTY STATE-AID HIGHWAY REVOLVING LOAN ACCOUNT.] A county state-aid highway revolving loan account is created in the ~~county state-aid highway transportation revolving loan fund. The commissioner may transfer to the account the amount allocated under section 162.065. Money in the account may be used to make loans. Funds in the county state-aid highway revolving loan account may be used only for aid in the construction, improvement, and maintenance of county state-aid highways. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the county state-aid highway revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the county state-aid highway revolving loan account.~~

Sec. 13. Minnesota Statutes 1998, section 162.12, subdivision 1, is amended to read:

~~Subdivision 1. [ESTIMATE OF ACCRUALS.] On or before the second Tuesday of January By December 15 of each year the commissioner shall estimate the probable sum amount of money that will accrue be available to the municipal state-aid street fund during the first six months of each year ending June 30 that fiscal year. To the estimated amount the commissioner shall add the sum of money already accrued in the municipal state-aid street fund for the last preceding six-month period ending December 31, adjusted to reflect the amount by which The amount available is based on actual receipts for the preceding January 1 to June 30 were different from estimated receipts from July 1 through November 30, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. The total of such sums available, except for deductions to be first made as provided herein, shall be apportioned by the commissioner to the cities having a population of 5,000 or more as hereinafter provided.~~

Sec. 14. Minnesota Statutes 1998, section 162.12, subdivision 2, is amended to read:

~~Subd. 2. [ADMINISTRATIVE COSTS OF DEPARTMENT.] From the total of such sums the commissioner, each year, shall deduct A sum of money equal to one and one-half 1-1/2 percent of the total sums. The sum so shall be deducted shall be from the total available in the municipal state-aid street fund, set aside in a separate account, and shall be used for administration costs incurred by the state transportation department in carrying out the provisions relating to the municipal state-aid street system. On the 31st day of December of each year, any money remaining in the account not needed for administrative costs shall be transferred to the municipal state-aid street fund.~~

Sec. 15. Minnesota Statutes 1998, section 162.12, subdivision 5, is amended to read:

~~Subd. 5. [MUNICIPAL STATE-AID STREET REVOLVING LOAN ACCOUNT.] A municipal state-aid street revolving loan account is created in the municipal state-aid street transportation revolving loan fund. The commissioner may transfer to the account the amount allocated under section 162.125. Money in the account may be used to make loans. Funds in the municipal state-aid street revolving loan account may be used only for aid in the construction, improvement, and maintenance of municipal state-aid streets. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the municipal state-aid street revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the municipal state-aid street revolving loan account.~~

Sec. 16. Minnesota Statutes 1998, section 169.87, subdivision 2, is amended to read:

~~Subd. 2. [SEASONAL LOAD RESTRICTIONS.] Except for portland cement concrete roads, from March 20 to May 15 of between the dates set by the commissioner of transportation each year, the weight on any single axle shall not exceed five tons on a county or highway, town road, or city street that has not been restricted as provided in subdivision 1. The gross weight on consecutive axles shall not exceed the gross weight allowed in section 169.825 multiplied by a factor of five divided by nine. This reduction shall not apply to the gross vehicle weight.~~

Sec. 17. Minnesota Statutes 1998, section 174.02, is amended by adding a subdivision to read:

~~Subd. 7. [LOANS TO COMMISSIONER.] The commissioner of transportation may apply for and receive loans, as defined in section 446A.085, subdivision 1, paragraph (d), from the transportation revolving loan fund created in section 446A.085, and may enter into agreements for the repayments of the loans.~~

Sec. 18. Minnesota Statutes 1998, section 174.50, subdivision 5, is amended to read:

~~Subd. 5. [CERTIFICATION AND DISBURSAL FOR PROJECT OF POLITICAL SUBDIVISION.] Before disbursement of an appropriation made from the fund to the commissioner of transportation for grants to subdivisions of the state, the commissioner shall certify to the commissioner of finance:~~

- (1) that the project for which the grant is made has been reviewed as provided in subdivision 4;
- (2) that the project conforms to the program authorized by the appropriation law and rules adopted by the department of transportation consistent therewith; and
- (3) that the financing of any estimated cost of the project in excess of the amount of the grant is assured by the appropriation of the proceeds of bonds or other funds of the subdivision, or by a grant from an agency of the federal government, within the amount of funds then appropriated to that agency and allocated by it to projects within the state, and by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to use all funds so made available exclusively for the project, and to pay any additional amount by which the cost exceeds the estimate through appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the subdivision.

Sec. 19. [174.80] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 174.80 to 174.90, the terms defined in this section have the meanings given them.

Subd. 2. [ADVANCED CORRIDOR PLAN.] "Advanced corridor plan" means a commuter rail plan that:

(1) contains a physical design component that identifies the physical design of facilities, including:

- (i) location, length, and termini of routes;
- (ii) maintenance facility locations;
- (iii) safety improvements;
- (iv) station locations and design; and
- (v) related park and ride, parking, and other transportation facilities;

(2) specifies track and signal improvements;

(3) addresses handicapped access;

(4) specifies intermodal coordination and connections with bus and light rail transit operation and routes;

(5) projects ridership, capital costs, operating costs, and revenues;

(6) identifies sources of funds for operating subsidies and funding for final design, construction, and operation;

(7) describes an implementation method;

(8) describes a plan for public involvement and public information;

(9) defines anticipated agreements with the railroads; and

(10) addresses land use impacts.

The preliminary design plan may include the draft environmental impact statement for the proposed commuter rail facilities.

Subd. 3. [PRELIMINARY ENGINEERING PLAN.] "Preliminary engineering plan" means a commuter rail plan that includes those items in the advanced corridor plan that relate to facilities proposed for construction, but with additional detail and specificity in satisfaction of applicable environmental requirements.

Subd. 4. [FINAL DESIGN PLAN.] "Final design plan" means a commuter rail plan that includes the items in the advanced corridor plan and the preliminary engineering plan, but with additional detail and specificity as needed for construction and operation.

Sec. 20. [174.82] [COMMISSIONER'S DUTIES.]

The commissioner shall be responsible for all aspects of planning, developing, constructing, operating, and maintaining commuter rail, including system planning, advanced corridor planning, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans. The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

Sec. 21. [174.84] [COMMUTER RAIL SYSTEM PLANNING.]

Subdivision 1. [GENERAL PLAN REQUIREMENTS.] By January 15, 2000, the commissioner shall adopt a commuter rail system plan to ensure that if commuter rail facilities are acquired, developed, constructed, owned, and operated in Minnesota, these activities will be done in an efficient, cost-effective manner, and in coordination with buses and other transportation modes and facilities. The commissioner shall consult with affected regional railroad authorities and may incorporate into its plan elements of the plans of regional railroad authorities in order to avoid duplication of efforts. The commissioner may periodically update the system plan.

Subd. 2. [APPROVAL OF COMMUTER RAIL SYSTEM PLAN.] The commuter rail system plan must be approved by metropolitan planning organizations in areas in which commuter rail will be located before the commissioner may begin final design of commuter rail facilities. Following approval of the plan, the commissioner shall act in conformity with the plan. The commissioner shall ensure that final design plans are consistent with the commuter rail plan.

Subd. 3. [ENGINEERING STANDARDS.] The plan must include engineering standards that provide for integrated operation of all commuter rail equipment, facilities, and services, including security, station design parameters, fare box systems, and safety.

Subd. 4. [INTEGRATION OF SYSTEM.] The commissioner and metropolitan planning organizations shall ensure that if commuter rail facilities are planned, designed, and implemented in Minnesota, they will be planned, designed, and implemented in such a way as to move transit users to, from, and within the metropolitan area, and to provide a unified, integrated, and efficient multimodal transportation system with rail transit lines that interface with each other and with other transportation facilities.

Sec. 22. [174.86] [COMMUTER RAIL PLAN; REVIEW.]

Subdivision 1. [ADVANCED CORRIDOR PLAN; PUBLIC HEARING.] Before a final design plan is prepared for commuter rail facilities, the commissioner must hold a public hearing on the physical design component of the advanced corridor plan. The commissioner must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing. The commissioner shall summarize the proceedings and testimony and maintain the record of a hearing held under this subdivision, including any written statements submitted.

Subd. 2. [PHYSICAL DESIGN COMPONENT; LOCAL PARTICIPATION.] At least 30 days before the hearing under subdivision 1, the commissioner shall submit the physical design component of the advanced corridor plan to the governing body of each statutory and home rule charter city, county, and town in which the route is to be located. Within 45 days after the hearing under subdivision 1, the city, county, or town shall review and comment on the plan. Within 45 days of the hearing, a city or town shall approve or disapprove the location and design of the station to be located in the city or town. A city or town that disapproves shall describe specific amendments to the plan that, if adopted, would cause the city or town to withdraw its disapproval. Failure to comment in writing within 45 days after the hearing is deemed to be accepted unless an extension of time is agreed to by the metropolitan planning organization and the commissioner of transportation.

Subd. 3. [MODIFICATION OF ADVANCED CORRIDOR PLAN.] After the hearing under subdivision 1, and after the receipt of comment under subdivision 2, the commissioner may modify the advanced corridor plan.

Subd. 4. [ADVANCED CORRIDOR PLAN; METROPOLITAN PLANNING ORGANIZATION REVIEW.] Before constructing commuter rail facilities, the commissioner shall submit the advanced corridor plan to each metropolitan planning organization in which the route is to be located. The metropolitan planning organization shall hold a hearing on the plan allowing the commissioner, local governmental units, and other persons to present their views as to whether the plan is consistent with the metropolitan planning organization's development guide. Within 60 days after the hearing, the metropolitan planning organization shall review the plan submitted by the commissioner to determine whether it is consistent with the development guide. If the plan is consistent with the development guide, the metropolitan planning organization shall approve it. If the plan is not consistent with the development guide, the metropolitan planning organization shall submit to the commissioner proposed amendments to the plan to make it consistent with the development guide. The commissioner shall incorporate the proposed amendments into the final design plan.

Subd. 5. [COMMUTER RAIL CORRIDOR COORDINATING COMMITTEE.] (a) A commuter rail corridor coordinating committee shall be established to advise the commissioner on issues relating to the alternatives analysis, environmental review, advanced corridor planning, preliminary engineering, final design, implementation method, construction of commuter rail, public involvement, land use, service, and safety. The commuter rail corridor coordinating committee shall consist of:

(1) one member representing each significant funding partner in whose jurisdiction the line or lines are located;

(2) one member appointed by each county in which the corridors are located;

(3) one member appointed by each city in which advanced corridor plans indicate that a station may be located;

(4) two members appointed by the commissioner, one of whom shall be designated by the commissioner as the chair of the committee;

(5) one member appointed by each metropolitan planning organization through which the commuter rail line may pass; and

(6) one member appointed by the president of the University of Minnesota, if a designated corridor provides direct service to the university.

(b) A joint powers board existing on April 1, 1999, consisting of local governments along a commuter rail corridor, shall perform the functions set forth in paragraph (a) in place of the committee.

#### Sec. 23. [174.88] [COMMUTER RAIL FUNDING.]

The commissioner, in cooperation with appropriate metropolitan planning organizations, may apply for funding from federal, state, regional, local, and private sources for commuter rail facility construction, operation, implementation, maintenance, and improvement.

#### Sec. 24. [174.90] [COMMUTER RAIL OPERATION.]

The commissioner may contract for operation of commuter rail facilities with the metropolitan council or other public or private entities and shall commence revenue service after an appropriate period of start-up to ensure satisfactory performance. The commissioner shall coordinate with transit providers to ensure integration of the commuter rail system with bus and light rail transit service to avoid duplication of service and to ensure the greatest access to commuter rail lines in suburban and urban areas.



Sec. 25. Minnesota Statutes 1998, section 221.0314, subdivision 9a, is amended to read:

Subd. 9a. [HOURS OF SERVICE EXEMPTIONS.] The federal regulations incorporated in subdivision 9 for maximum driving and on-duty time do not apply to drivers engaged in the interstate or intrastate transportation of:

(1) agricultural commodities or farm supplies for agricultural purposes in Minnesota during the planting and harvesting seasons from March 15 to December 15 of each year; or

(2) sugar beets during the harvesting season for sugar beets from September 1 to ~~March~~ May 15 of each year;

if the transportation is limited to an area within a 100-air-mile radius from the source of the commodities or the distribution point for the farm supplies.

Sec. 26. Minnesota Statutes 1998, section 221.033, is amended by adding a subdivision to read:

Subd. 2c. [AGE OF PETROLEUM TANK TRUCK DRIVER.] A driver of a motorized tank truck vehicle having a capacity of less than 3,500 gallons, who is engaged in the intrastate transportation of petroleum products, must be at least 18 years of age.

Sec. 27. Minnesota Statutes 1998, section 222.63, subdivision 4, is amended to read:

Subd. 4. [DISPOSITION PERMITTED.] (a) The commissioner may lease any rail line or right-of-way held in the state rail bank or enter into an agreement with any person for the operation of any rail line or right-of-way for any of the purposes set forth in subdivision 2 in accordance with a fee schedule to be developed by the commissioner.

(b) The commissioner may convey any rail line or right-of-way, for consideration or for no consideration and upon other terms as the commissioner may determine to be in the public interest, to any other state agency or to a governmental subdivision of the state having power by law to utilize it for any of the purposes set forth in subdivision 2.

(c) The commissioner may convey a portion of previously acquired rail bank right-of-way to a state agency or governmental subdivision when the commissioner determines that:

(1) the portion to be conveyed is in excess of that needed for the purposes stated in subdivision 2;

(2) the conveyance is upon terms and conditions agreed upon by both the commissioner and the state agency or governmental subdivision;

(3) after the sale, the rail bank corridor will continue to meet the future public and commercial transportation and transmission needs of the state; and

(4) the conveyance will not reduce the width of the rail bank corridor to less than 50 feet.

Proceeds from a sale shall be deposited in the rail bank maintenance account described in subdivision 8.

Sec. 28. Minnesota Statutes 1998, section 360.0151, subdivision 2, is amended to read:

Subd. 2. [GRANTS AUTHORIZED.] (a) The commissioner may make air service marketing grants to political subdivisions that own and operate airports ~~designated by order of the commissioner as key airports.~~ The commissioner shall make a project agreement with each political subdivision receiving a grant under this section that provides for:

(1) a detailed description of the project for which the grant is provided;

(2) a schedule of the project; and

(3) the division of costs of the project between the state and the recipient.

(b) Payments by the commissioner under a project agreement may only be made to reimburse local costs already incurred.

Sec. 29. Minnesota Statutes 1998, section 360.032, subdivision 1a, is amended to read:

Subd. 1a. [MUNICIPALITY MAY ACQUIRE OR MOVE AIRPORT PROPERTY; REIMBURSEMENT.] A municipality may exercise the powers set forth in this subdivision solely for the purpose of assisting the relocation of air navigation facilities, structures, and other property incidental to airport operations, which are located at an airport owned or formerly owned by the municipality.

A municipality may acquire air navigation facilities, structures and other property incidental to airport operations, which are located at an airport owned or formerly owned by the municipality. In lieu of such acquisition, the municipality may move and relocate such property to another public airport. The manner of acquisition of such property shall be in accordance with subdivision 2. The municipality may expend its funds to pay for the costs of such acquisition, moving and relocation. The commissioner may pay a portion of such acquisition, moving and relocation costs in accordance with the provisions of section 360.305, subdivision 4, ~~elause (2)~~ paragraph (b) or (c).

Sec. 30. Minnesota Statutes 1998, section 360.305, subdivision 4, is amended to read:

Subd. 4. [COSTS ALLOCATED; LOCAL CONTRIBUTION; HANGAR CONSTRUCTION REVOLVING ACCOUNT.] ~~(4)~~ (a) Except as otherwise provided in this subdivision, the commissioner of transportation shall require as a condition of assistance by the state that the political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation, ~~these costs are referred to as project costs of the airport, in connection with which the assistance of the state is sought. These costs are referred to as project costs.~~

~~(2)~~ (b) For any airport, whether key, intermediate or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

~~(a)~~ (1) the project costs,

~~(b)~~ (2) acquisition costs of the land and clear zones, which are referred to as "acquisition costs."

~~(c)~~ For any airport where federal, state and local funds are to be used, the contribution shall not be less than one-tenth of the sum of the project costs and acquisition costs.

~~(3)~~ (d) The commissioner may pay the total cost of radio and navigational aids.

~~(4)~~ (e) Notwithstanding ~~elause (2)~~ paragraph (b) or (c), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.

~~(5)~~ (f) Notwithstanding ~~elause (2)~~ paragraph (b) or (c), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this ~~elause~~ paragraph exceed five percent of the amount appropriated for construction grants.

~~(6)~~ (g) To receive aid under this section for project costs or for acquisition costs, the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public:

(1) for a ~~period of 20 years~~ after the date that the any state funds for project costs are received by the municipality; and

(2) for 99 years after the date that any state funds for acquisition costs are received by the municipality.

The agreement may contain other conditions as the commissioner deems reasonable.

~~(7)~~ (h) The commissioner shall establish a hangar construction revolving account which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this clause, the "construction" of hangars shall include their design. The commissioner shall transfer up to \$4,100,000 from the state airports fund to the hangar construction revolving account.

~~(8)~~ (i) The commissioner may pay a portion of the purchase price of any airport maintenance and safety equipment and of the actual airport snow removal costs incurred by any municipality. The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in ~~elause (6)~~ paragraph (g).

~~(9)~~ (j) This subdivision shall apply only to project costs or acquisition costs of municipally owned airports which are incurred after June 1, 1971.

Sec. 31. Minnesota Statutes 1998, section 398A.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] An authority may exercise all the powers necessary or desirable to implement the powers specifically granted in this section, and in exercising the powers is deemed to be performing an essential governmental function and exercising a part of the sovereign power of the state, and is a local government unit and political subdivision of the state. Without limiting the generality of the foregoing, the authority may:

(a) sue and be sued, have a seal, which may but need not be affixed to documents as directed by the board, make and perform contracts, and have perpetual succession;

(b) acquire real and personal property within or outside its taxing jurisdiction, by purchase, gift, devise, condemnation, conditional sale, lease, lease purchase, or otherwise; or for purposes, including the facilitation of an economic development project pursuant to section 383B.81 or 469.091 or 469.175, subdivision 7, that also improve rail service; ~~and~~

(c) hold, manage, control, sell, convey, lease, mortgage, or otherwise dispose of real or personal property; and

(d) make grants or otherwise appropriate funds to the department of transportation, the metropolitan council, or any other state or local governmental unit for the purposes described in subdivision 2 with respect to railroad facilities located or to be located within the authority's jurisdiction, whether or not the facilities will be acquired, constructed, owned, or operated by the authority.

Sec. 32. Minnesota Statutes 1998, section 398A.04, subdivision 2, is amended to read:

Subd. 2. [RAILROAD ACQUISITION AND OPERATION.] The authority may plan, establish, acquire, develop, construct, purchase, enlarge, extend, improve, maintain, equip, operate, regulate, and protect railroads and railroad facilities, including but not limited to terminal buildings, roadways, crossings, bridges, causeways, tunnels, equipment, and rolling stock. The authority may not expend state or federal funds to engage in planning for or development of light rail transit or commuter rail transit, unless this activity is consistent with a plan adopted by the department of transportation under section 174.84 and a plan adopted by the metropolitan council under section 473.399, and is carried out pursuant to a memorandum of understanding executed by the authority and the commissioner after appropriate consultation with the metropolitan council.

Sec. 33. Minnesota Statutes 1998, section 398A.04, subdivision 9, is amended to read:

Subd. 9. [AGREEMENTS.] The authority may enter into joint powers agreements under section 471.59 or other agreements with the municipality or municipalities named in the organization agreement, ~~or~~ with other municipalities situated in the counties named in the resolution, respecting the matters referred to in section 398A.06 ~~or~~ with another authority; with a state agency; or with the metropolitan council about any matter subject to this chapter.

Sec. 34. Minnesota Statutes 1998, section 446A.085, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT OF FUND.] A transportation revolving loan fund is established to make loans for the purposes described in subdivision 2. A highway account is established in the fund for highway projects. A transit account is established in the fund for transit capital projects. The transportation revolving loan fund shall receive federal money under the act and money from any source ~~other than the trunk highway fund, the county state-aid highway fund, and the municipal state-aid street fund.~~ Money received under this section must be paid to the state treasurer and credited to the transportation revolving loan fund. Money in the fund is annually appropriated to the commissioner and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for servicing fees assessed under sections 446A.04, subdivision 5, and 446A.11, subdivision 8.

Sec. 35. Minnesota Statutes 1998, section 446A.085, subdivision 6, is amended to read:

Subd. 6. [TRANSPORTATION COMMITTEE.] The transportation committee may ~~make~~ authorize the making of loans to borrowers by the authority for transportation purposes authorized by the act, without further action by the authority. ~~The authority may not make loans for transportation purposes without the approval of the transportation committee.~~ Each project must be certified by the commissioner of transportation before its consideration by the transportation committee.

Sec. 36. Minnesota Statutes 1998, section 466.03, is amended by adding a subdivision to read:

Subd. 19. [USE OF LAND HELD UNDER SECTION 473.167.] Any claim based on the condition, use, or maintenance of land acquired and held by the municipality under section 473.167. Nothing in this subdivision limits the liability of a municipality for conduct that would entitle a trespasser to damages against a private person.

Sec. 37. Minnesota Statutes 1998, section 473.1466, is amended to read:

473.1466 [PERFORMANCE AUDIT; TRANSIT EVALUATION.]

(a) In 1997 and every four years thereafter, the council shall provide for an independent entity selected through a request for proposal process conducted nationwide to do a performance audit of the commuting area's transportation system as a whole. The performance audit must evaluate the commuting area's ability to meet the region's needs for effective and efficient transportation of goods and people, evaluate future trends and their impacts on the region's transportation system, and make recommendations for improving the system. The performance audit must recommend performance-funding measures.

(b) In ~~1997~~ 1999 and every ~~two~~ four years thereafter, the council must evaluate the performance of the metropolitan transit system's operation in relationship to the regional transit performance standards developed by the council.

Sec. 38. Minnesota Statutes 1998, section 473.399, is amended to read:

473.399 [LIGHT RAIL TRANSIT AND COMMUTER RAIL PLANNING.]

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The council shall adopt a plan to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner in coordination with buses and other transportation modes and facilities. The plan may be developed and adopted in

phases corresponding to phasing of construction of light rail. ~~To the extent practicable, The council shall~~ may incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid duplication of effort.

(b) The light rail transit plan or first phase of the plan required by this section must be adopted by the council before the commissioner of transportation may begin construction of light rail transit facilities. Following adoption of the plan, ~~each regional railroad authority and the commissioner of transportation shall act in conformity with the plan. The commissioner shall prepare or amend the final design plans as necessary to make the plans consistent with the light rail transit plan.~~

(c) Throughout the development and implementation of the plan, the council shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

Subd. 1a. [INTEGRATED TRANSPORTATION SYSTEM.] The commissioner of transportation, and the metropolitan council, ~~and the regional rail authorities~~ shall ensure that the light rail transit and commuter rail facilities are planned, designed, and implemented: (1) to move commuters and transit users into and out of, as well as within, the metropolitan area, and (2) to ensure that rail transit lines will interface with each other and other transportation facilities and services so as to provide a unified, integrated, and efficient multimodal transportation system.

Sec. 39. Minnesota Statutes 1998, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a light rail transit plan that includes the items in the preliminary design plan and the preliminary engineering plan for the facilities proposed but with greater detail and specificity needed for construction. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues, and sources of funds for operating subsidies; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a ~~turn-key design-build~~ implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

The commissioner of transportation may use a design-build method of project development and construction for light rail transit. Notwithstanding any law to the contrary, the commissioner may award a design-build contract on the basis of requests for proposals or requests for qualifications without bids. "Design-build method of project development and construction" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and bids the design and construction together.

Sec. 40. Minnesota Statutes 1998, section 473.3994, subdivision 3, is amended to read:

Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the commissioner of transportation ~~and the regional railroad authority or authorities in whose jurisdiction the line or lines are located~~ shall submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, ~~except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review.~~ Within 45 days after the hearing under subdivision 2, the city,

county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town, and the commissioner of transportation, and the regional railroad authority or authorities in whose jurisdiction the line or lines are located.

Sec. 41. Minnesota Statutes 1998, section 473.3994, subdivision 4, is amended to read:

Subd. 4. [PRELIMINARY DESIGN PLANS; COUNCIL REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under subdivision 3, the commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located may refer the plans, along with any comments of local jurisdictions, to the metropolitan council. The council shall hold a hearing on the plans, giving the commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The council may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the council shall review the plans submitted by the commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located and the council shall decide what amendments to the plans, if any, must be made to accommodate the objections presented by the disapproving local governmental units. The commissioner and the regional railroad authority shall make the amendments to the plans before continuing the planning and designing process.

Sec. 42. Minnesota Statutes 1998, section 473.3994, subdivision 10, is amended to read:

Subd. 10. [CORRIDOR MANAGEMENT COMMITTEE.] A corridor management committee shall be established to advise the commissioner of transportation in the design and construction of light rail transit in each corridor to be constructed. The corridor management committee shall consist of the following members:

- (1) ~~one member appointed by the joint powers board established under section 473.3998;~~
- (2) one member appointed by each city and county in which the corridor is located;
- (3) ~~(2)~~ the commissioner of transportation or a designee of the commissioner;
- (4) ~~(3)~~ two members appointed by the metropolitan council, one of whom shall be designated as the chair of the committee;
- (5) ~~(4)~~ one member appointed by the metropolitan airports commission, if the designated corridor provides direct service to the Minneapolis-St. Paul International Airport; and
- (6) ~~(5)~~ one member appointed by the president of the University of Minnesota, if the designated corridor provides direct service to the university.

The corridor management committee shall advise the commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located on issues relating to the alternatives analysis, environmental review, preliminary design, preliminary engineering, final design, implementation method, and construction of light rail transit.

Sec. 43. 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 upon execution of a work program memorandum of understanding with the commissioner 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 and in the central corridor between downtown St. Paul and downtown Minneapolis;
- (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 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 and upon execution of a work program memorandum of understanding with the commissioner.

#### Sec. 44. [CONSTRUCTION OF RAIL FACILITIES.]

Neither the state nor any political subdivision may apply for federal assistance or receive any state appropriation or grant for light rail transit construction until the commissioner begins construction of light rail transit facilities in either the Riverview corridor, connecting the east side of St. Paul, the Minneapolis-St. Paul International Airport, and the Mall of America; or the central corridor, between downtown St. Paul and downtown Minneapolis. This prohibition does not apply to applications for federal funding or receipt of state funding for light rail transit in the Hiawatha corridor, connecting downtown Minneapolis, the Minneapolis-St. Paul International Airport, and the vicinity of the Mall of America; in the Riverview corridor; or in the central corridor.

#### Sec. 45. [TRANSIT PLAN; REPORT.]

A regional master plan for transit must be developed by the metropolitan council, in consultation with the commissioner of transportation and the regional railroad authorities in the metropolitan area. The plan must be completed for presentation to the legislature by February 1,



2000. The plan must include bus and rail development and must be balanced. It must include bus, busway, and light rail transit investments based on:

- (1) population density;
- (2) employment concentrations and job density;
- (3) transit dependent segments of the population;
- (4) redevelopment and reinvestment;
- (5) opportunities in the core of the region; and
- (6) adequacy of existing transportation corridors.

Sec. 46. [REPEALER.]

Minnesota Statutes 1998, sections 169.832, subdivision 13; 169.974, subdivision 6; 473.3994, subdivision 12; and 473.3998, are repealed.

Sec. 47. [EFFECTIVE DATES.]

Sections 1, 2, 7, 8, and 26, are effective the day following final enactment. Sections 3 to 6, 9, 12, 15, 17, 28 to 30, 34, and 35, are effective July 1, 1999."

Delete the title and insert:

"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; abolishing provision that restricted evidence of use of headgear by motorcyclist to only the question of damages for head injuries; 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; requiring petroleum tank truck driver to be at least 18 years old; authorizing commissioner to convey excess rail bank corridor land to state agency or political subdivision; modifying provisions governing state grants for local airports; restricting liability related to land acquired by municipality for highway purposes; modifying 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; 221.033, by adding a subdivision; 222.63, subdivision 4; 360.0151, subdivision 2; 360.032, subdivision 1a; 360.305, subdivision 4; 398A.04, subdivisions 1, 2, and 9; 446A.085, subdivisions 3 and 6; 466.03, by adding a subdivision; 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; 169.974, subdivision 6; 473.3994, subdivision 12; and 473.3998."

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

Senate Conferees: (Signed) Carol Flynn, Steve L. Murphy, Dean E. Johnson

House Conferees: (Signed) Tom Workman, James T. Clark, Sharon Marko

Senator Flynn moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1762 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. 1762 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 47 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Olson	Spear
Berg	Janezich	Laidig	Ourada	Stumpf
Berglin	Johnson, D.E.	Langseth	Pariseau	Ten Eyck
Betzold	Johnson, D.H.	Larson	Piper	Terwilliger
Cohen	Johnson, D.J.	Lourey	Pogemiller	Vickerman
Fischbach	Johnson, J.B.	Metzen	Price	Wiener
Flynn	Kelley, S.P.	Moe, R.D.	Ranum	Wiger
Foley	Kelly, R.C.	Murphy	Robertson	
Hanson	Kiscaden	Novak	Sams	
Higgins	Knutson	Oliver	Scheid	

Those who voted in the negative were:

Belanger	Frederickson	Lesewski	Neuville	Scheevel
Day	Kierlin	Limmer	Robling	Stevens
Dille	Kleis	Marty	Runbeck	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. 2226 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON 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, 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; 116O.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.

May 15, 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. 2226, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2226 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ENVIRONMENT AND NATURAL RESOURCES 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 article, to be available for the fiscal years indicated for each purpose. The figures "1999," "2000," and "2001," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1999, June 30, 2000, or June 30, 2001, respectively. The term "the first year" means the year ending June 30, 2000, and the term "the second year" means the year ending June 30, 2001.

#### SUMMARY BY FUND

	1999	2000	2001	TOTAL
General		\$215,771,000	\$208,447,000	\$424,218,000
Petroleum Tank		3,583,000	3,393,000	6,976,000
State Government				
Special Revenue		44,000	45,000	89,000
Special Revenue		523,000	200,000	723,000
Environmental		21,744,000	22,184,000	43,928,000
Solid Waste		7,153,000	7,229,000	14,382,000
Natural				
Resources		26,406,000	25,832,000	52,238,000
Game and Fish		60,413,000	61,521,000	121,934,000
Minnesota				
Future Resources		16,040,000	-0-	16,040,000
Environmental				
Trust	991,000	13,005,000	13,005,000	27,001,000

Great Lakes Protection		200,000	-0-	200,000
TOTAL	991,000	364,882,000	341,856,000	707,729,000

APPROPRIATIONS  
Available for the Year  
Ending June 30

2000	2001
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Sec. 2. POLLUTION CONTROL  
AGENCY

Subdivision 1. Total Appropriation			48,018,000	48,210,000
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Summary by Fund

General	16,875,000	17,074,000
Petroleum Tank	3,583,000	3,393,000
State Government Special Revenue	44,000	45,000
Special Revenue	323,000	-0-
Environmental	20,140,000	20,569,000
Solid Waste	7,053,000	7,129,000

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

Up to \$300,000 in the first year and \$300,000 in the second year may be redirected by the commissioner from the program appropriations in subdivisions 2 to 5 for purposes of reducing the length of time needed to process feedlot permits and to provide technical assistance to county feedlot programs and feedlot owners. Not later than February 15, 2000, the commissioner must report on the sources of redirected funds and the impact of redirection on other programs of the agency to the chairs of the senate and house of representatives committees with jurisdiction over environmental finance.

Subd. 2. Protection of the Water

15,984,000	16,008,000
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Summary by Fund

General	13,074,000	13,283,000
State Government Special Revenue	44,000	45,000
Environmental	2,616,000	2,680,000
Petroleum tank	250,000	-0-

\$2,348,000 the first year and \$2,348,000 the second year are for grants to local units of

government for the clean water partnership program. The amount of this appropriation above the base is for Phase II implementation projects. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$1,470,000 the first year and \$1,841,000 the second year are for grants for county administration of the feedlot permit program. These amounts are transferred to the board of water and soil resources for disbursement in accordance with Minnesota Statutes, section 103B.3369, in cooperation with the pollution control agency. Grants must be matched with a combination of local cash and/or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activities conducted under the grant, expenditures made, and local match contributions. First priority for funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. Delegated counties shall be eligible to receive a grant of either: \$50 multiplied by the number of livestock or poultry farms with sales greater than \$10,000, as reported in the 1997 Census of Agriculture, published by the United States Bureau of Census; or \$80 multiplied by the number of feedlots with greater than ten animal units as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the Feedlot Inventory Guidebook published by the board of water and soil resources, dated June 1991. To receive the additional funding that is based on the county feedlot inventory, the county shall submit a copy of the inventory to the pollution control agency. Any remaining money is for distribution to all counties on a competitive basis through the challenge grant process for the conducting of feedlot inventories, development of delegated county feedlot programs, and for information and education or technical assistance efforts to reduce feedlot-related pollution hazards. Any money remaining after the first year is available for the second year.

\$94,000 the first year and \$97,000 the second year are for compliance activities and air quality monitoring to address hydrogen sulfide emissions from animal feedlots. The air quality monitoring must include the use of portable survey instruments.

\$1,043,000 the first year and \$1,048,000 the second year are for water monitoring activities.

\$320,000 the first year and \$322,000 the second year are for community technical assistance and education, including grants and technical assistance to communities for local and basin-wide water quality protection.

\$201,000 the first year and \$202,000 the second year are for individual sewage treatment system (ISTS) administration. Of this amount, \$86,000 in each year is transferred to the board of water and soil resources for assistance to local units of government through competitive grant programs for ISTS program development.

\$200,000 in each year is for individual sewage treatment system grants. Any unexpended balance in the first year does not cancel, but is available in the second year.

\$250,000 the first year and \$500,000 the second year are for studies to determine total maximum daily load allocations to improve water quality.

\$300,000 each year is for continuing research on malformed frogs. This is a one-time appropriation.

\$126,000 is for administration of the wastewater infrastructure fund (WIF) construction program. This is a one-time appropriation.

\$250,000 the first year, notwithstanding Minnesota Statutes, section 115C.08, subdivision 4, is from the petroleum tank release fund for the following purposes: (1) to purchase and distribute emergency spill response equipment, such as spill containment booms, sorbent pads, and installation tools, along the Mississippi river upstream of drinking water intakes at the locations designated by the agency in consultation with the Mississippi River Defense Network; (2) to purchase mobile trailers to contain the equipment in clause (1) so that rapid deployment can occur; and (3) to conduct spill response training for those groups of responders receiving the spill response equipment described in clause (1). The agency shall develop and administer protocol for the use of the equipment among all potential users, including private contract firms, public response agencies, and units of government. Any money remaining after the first year is available for the second year. This is a one-time appropriation.

\$200,000 the first year is for a grant to the University of Minnesota center for rural

technology and cooperative development for the continued development of water quality cooperatives that own or control alternative discharging sewage systems as defined in Minnesota Statutes, section 115.58, subdivision 1. The university must study and prepare a report to the legislature on the barriers to financing and permitting cost-effective innovative or alternative sewage treatment technologies, systems, methods, and processes under existing statutes, agency rules, and practices, and on the potential for such treatment technologies for reducing point and nonpoint sources of water pollution. As a condition of this grant, the university must submit a work program and submit semiannual progress reports as provided in Minnesota Statutes, section 116P.05, subdivision 2, paragraph (c). This is a one-time appropriation.

\$100,000 for the biennium is for a grant to the city of Garrison for the Garrison, Kathio, West Mille Lacs Lake Sanitary District for the cost of environmental studies, planning, and legal assistance for sewage treatment purposes. This is a one-time appropriation.

Until July 1, 2001, the agency shall not approve additional fees on animal feedlot operations.

Subd. 3. Protection of the Air

8,194,000                      8,023,000

Summary by Fund

General	181,000	142,000
Special Revenue	323,000	-0-
Environmental	7,690,000	7,881,000

Up to \$150,000 the first year and \$150,000 the second year may be transferred to the small business environmental improvement loan account established in Minnesota Statutes, section 116.994.

\$200,000 each year from the environmental fund is for a monitoring program under Minnesota Statutes, section 116.454.

\$181,000 the first year and \$142,000 the second year are for mercury reduction strategies other than education programs.

Subd. 4. Protection of the Land

16,808,000                      17,079,000

Summary by Fund

General	1,722,000	1,746,000
Petroleum Tank	2,891,000	2,951,000
Environmental	6,278,000	6,417,000
Solid Waste	5,917,000	5,965,000

All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (10), (11), and (12). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 2001.

The agency's annual performance reports required for this biennium under Minnesota Statutes, section 15.91, must specify the amount of lead, mercury, and cadmium contained in sewage biosolids spread on the land after wastewater treatment.

\$136,000 the first year and \$139,000 the second year are from the solid waste fund for staff and associated expenses related to permitting, compliance, and response actions at eligible facilities under Minnesota Statutes, section 473.845.

\$196,000 the first year and \$200,000 the second year are from the solid waste fund to be transferred to the department of health for private water supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities.

\$550,000 the first year and \$550,000 the second year are from the petroleum tank release fund for purposes of the leaking underground storage tank program to protect the land.

\$85,000 the first year is from the solid waste fund for a grant to Benton county to pay the principal amount due in fiscal year 2000 on bonds issued by the county to pay part of a final order or settlement of a lawsuit for environmental response costs at a mixed municipal solid waste facility. This money and any future money appropriated for this purpose



must be apportioned by Benton county among the local units of government that were parties to the final order or settlement in the same proportion that the local units of government agreed to as their share of the liability. This is a one-time appropriation.

Subd. 5. General Support

	7,032,000	7,100,000	
	Summary by Fund		
General	1,898,000	1,903,000	
Petroleum Tank	442,000	442,000	
Environmental	3,556,000	3,591,000	
Solid Waste	1,136,000	1,164,000	
Sec. 3. OFFICE OF ENVIRONMENTAL ASSISTANCE		21,538,000	21,776,000
	Summary by Fund		
General	20,270,000	20,503,000	
Environmental	1,268,000	1,273,000	

\$14,008,000 each year is for SCORE block grants to counties.

Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the office of environmental assistance for the purposes of Minnesota Statutes, section 473.844.

Notwithstanding Minnesota Statutes, section 115A.54, subdivision 2a, paragraph (h), and rules of the office of environmental assistance, an applicant that receives a grant from money appropriated in Laws 1998, chapter 404, section 8, for less than 25 percent of the total capital costs of a project may be issued a second grant for capital costs of the project from other money appropriated for capital assistance grants. For the purpose of the grants issued under this item, each grant phase of the project shall be considered a separate project, but not for purposes of determining the maximum grant assistance as provided in Minnesota Statutes, section 115A.54, subdivision 2a.

\$65,000 of the remaining balance of the funds appropriated pursuant to Laws 1988, chapter 685, section 43, is reappropriated for purposes of education of the public and businesses on the

proper disposal of used motor oil, used motor oil filters, and other automotive wastes.

Sec. 4. ZOOLOGICAL BOARD	7,149,000	7,229,000
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Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation	207,502,000	202,510,000
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Summary by Fund

General	120,616,000	115,091,000
Natural Resources	26,373,000	25,798,000
Game and Fish	60,413,000	61,521,000
Solid Waste	100,000	100,000

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

Subd. 2. Mineral Resources Management

5,054,000	5,164,000
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\$312,000 the first year and \$313,000 the second year are for iron ore cooperative research, of which \$225,000 the first year and \$225,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$378,000 the first year and \$379,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$101,000 the first year and \$101,000 the second year are for minerals cooperative environmental research, of which \$50,500 the first year and \$50,500 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 3. Water Resources Management

15,215,000	12,559,000
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Summary by Fund

General	14,953,000	12,290,000
Natural Resources	262,000	269,000

\$170,000 the first year and \$170,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of

implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

\$502,000 the first year and \$503,000 the second year are for water monitoring activities, including gauging of priority lakes and watersheds, dissemination of information, replacement of equipment, and installation of observation wells, groundwater sensitivity maps, and documentation.

\$25,000 the first year and \$25,000 the second year are for a grant to the joint powers board established under Minnesota Statutes, section 471.59, for the Lewis and Clark rural water system.

\$1,950,000 the first year and \$1,000,000 the second year are for grants to watershed districts located within the Red river basin for flood damage reduction projects and activities associated with the implementation of the mediation agreement, including comprehensive watershed plans, agency interdisciplinary teams for each watershed in the Red river valley, and a basin information repository, including data on flood flows and water supply.

\$468,000 the first year is for the construction of ring dikes under Minnesota Statutes, section 103F.161. The ring dikes may be publicly or privately owned. This is a one-time appropriation.

\$1,100,000 the first year is for the stream protection and redevelopment loan program under Minnesota Statutes, section 103G.705.

\$116,000 the first year and \$116,000 the second year are for grants to the counties of Beltrami, Marshall, and Roseau for the payment of unpaid back ditch assessments on state lands.

\$20,000 in fiscal year 2000 is for a feasibility study of raising the control elevation of Coon Lake in Anoka county. The study must be completed by February 1, 2000.

\$200,000 the first year and \$150,000 the second year are for a grant to the Cannon river watershed partnership for protection, conservation, and enhancement of the ecological integrity of the Cannon river watershed. The

grant the second year is contingent upon the establishment of a joint powers board by the counties of Steele, Rice, Goodhue, LeSueur, Waseca, and Dakota, and any cities and towns within the counties, to prepare a land use management and recreation plan for the Cannon river watershed; and to eventually provide grant programs for protection, conservation, and enhancement of the ecological integrity of the Cannon river watershed. The goal of the plan is to protect the river system's natural beauty, environment, and water quality. The purpose of the plan is to assist local units of government within the Cannon river watershed to adequately plan for the protective management of the river within their jurisdiction. The plan and programs must meet or exceed the requirements of state shoreland, floodplain, and wild and scenic river laws. The joint powers board must seek available federal funding, and funding or in-kind services from organizations and local units of government to complete the plan and implement the program. This is a one-time appropriation.

\$118,000 is for a grant to the city of Thief River Falls to finish dredging projects within the city on the Red Lake river and the Thief river. This appropriation is in addition to the appropriation in Laws 1997, chapter 216, section 5, subdivision 3. This appropriation is available to the extent matched by an equal amount of nonstate money until June 30, 2001. This is a one-time appropriation.

Subd. 4. Forest Management

34,670,000	35,175,000
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Summary by Fund

General	34,207,000	34,701,000
Natural Resources	463,000	474,000

\$3,599,000 the first year and \$3,688,000 the second year are for presuppression and suppression costs of emergency fire fighting. If the appropriation for either year is insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund. If money is spent under the appropriation in the preceding sentence, the commissioner of natural resources shall, by 15 days after the end of the following quarter, report on how the money was spent to the chairs of the house of representatives ways and means committee, the environment and agriculture

budget division of the senate environment and natural resources committee, and the house of representatives environment and natural resources finance committee. The appropriations may not be transferred.

\$722,000 the first year and \$724,000 the second year are for programs and practices on state, county, and private lands to regenerate and protect Minnesota's white pine. Up to \$280,000 of the appropriation in each year may be used by the commissioner to provide 50 percent matching funds to implement cultural practices for white pine management on nonindustrial, private forest lands at rates specified in the Minnesota stewardship incentives program manual. Up to \$150,000 of the appropriation in each year may be used by the commissioner to provide funds to implement cultural practices for white pine management on county-administered lands through grant agreements with individual counties, with priorities for areas that experienced wind damage in July 1995. \$40,000 each year is for a study of the natural regeneration process of white pine. The remainder of the funds in each fiscal year will be available to the commissioner for white pine regeneration and protection on department-administered lands.

The commissioner may contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

\$61,000 the first year and \$62,000 the second year are for the focus on community forests program, to provide communities with natural resources technical assistance.

\$225,000 the first year is for grants to local community forest ecosystem health programs. This appropriation is available until June 30, 2001. The commissioner of natural resources shall allocate individual grants of up to \$25,000 to local communities that match the grants with nonstate money to undertake projects that improve the health of forest ecosystems, including insect and disease suppression programs, community-based forest health education programs, and other arboricultural treatments.

\$100,000 the first year and \$100,000 the second year are an increase in the base appropriation for the Minnesota conservation corps program activities.

\$500,000 each year is for the activities of the forest resources council. This is a one-time appropriation.

Subd. 5. Parks and Recreation  
Management

30,210,000                      30,850,000

Summary by Fund

General	29,576,000	30,214,000
Natural Resources	634,000	636,000

\$634,000 the first year and \$636,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$4,500,000 the first year and \$4,500,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks and trails maintenance and operation. \$1,500,000 each year is a one-time appropriation.

\$50,000 the first year is for a grant to the city of Taylors Falls for fire and rescue operations in support of Interstate park.

Notwithstanding any law to the contrary, effective the day following final enactment, the commissioner of natural resources may enter into a 30-year lease with the Minneapolis park and recreation board for the golf course and polo grounds at Fort Snelling. The land to be leased shall be used for recreation purposes in the development of athletic fields connected with the property. The commissioner of natural resources is not obligated to make improvements on the leased property.

Subd. 6. Trails and Waterways  
Management

20,567,000                      17,622,000

Summary by Fund

General	3,967,000	2,083,000
Natural Resources	14,703,000	13,931,000
Game and Fish	1,897,000	1,608,000

\$4,649,000 the first year and \$4,649,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$256,000 the first year and \$257,000 the second

year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

\$500,000 the first year and \$1,000,000 the second year are from the natural resources fund for expansion of off-highway vehicle facilities. Of these amounts, \$200,000 the first year and \$400,000 the second year are from the all-terrain vehicle account, \$75,000 the first year and \$150,000 the second year are from the off-highway motorcycle account, and \$225,000 the first year and \$450,000 the second year are from the off-road vehicle account in the natural resources fund. This appropriation is available until expended.

\$1,500,000 the first year and \$75,000 the second year are from the natural resources fund to plan, acquire, develop, and operate the Iron Range off-highway vehicle recreation area. The first year appropriation is one-time and available until expended. Of the amount appropriated the first year, \$750,000 is from the all-terrain vehicle account, \$600,000 is from the off-road vehicle account, and \$150,000 is from the off-highway motorcycle account. Of the amount appropriated in the second year, \$37,500 is from the all-terrain vehicle account, \$30,000 is from the off-road account, and \$7,500 is from the off-highway motorcycle account. The appropriations are available until expended.

\$100,000 the first year is for the planning, development, and construction of the Gitchi-Gami trail on the north shore of Lake Superior. The trail must be designed primarily for hiking and bicycling and must connect communities, state parks, and other points of interest along the north shore.

\$175,000 is for a grant to the Ramsey county board of commissioners and the Washington county board of commissioners to cooperatively develop a master plan, with the cooperation and assistance of the Minnesota parks and trails council, for a trail around Silver Lake, a White Bear Lake to Stillwater regional trail, a trail and route around White Bear Lake and trail connections with the Gateway trail and other state or regional trails within the counties. The master plan must be developed with the cities of North St. Paul, Maplewood, Oakdale, Birchwood, Dellwood, Mahtomedi, and White

Bear Lake, White Bear township, and the departments of natural resources and transportation. This is a one-time appropriation.

\$500,000 the first year is for development of nonpaved alternate trails that are adjacent to the Heartland and Paul Bunyan state trails.

\$50,000 is for planning and archaeological costs of a multiuse trail connecting the Douglas trail in Rochester with Chester Woods county park and the cities of Eyota and Dover.

\$200,000 the first year is for construction of a snowmobile trail to connect the Willard Munger state trail at Hermantown to the North Shore state trail in Duluth.

The amount raised from the sale of metal traction device stickers under Minnesota Statutes, section 84.8715, prior to June 30, 1999, is appropriated in fiscal year 1999 for the repair of paved public trails damaged by snowmobiles. This appropriation is available until spent.

By January 15, 2001, the commissioner shall make recommendations to the governor and legislature on retaining the interest earnings in accounts within the natural resources fund.

\$900,000 is to the city of St. Paul for the acquisition of the portion of the Trout Brook Corridor located between Maryland Avenue, I-35E, Cayuga Street, and Agate Street. The lands shall be acquired for the reestablishment of natural habitat, as well as passive recreational and environmental educational opportunities. This is a one-time appropriation.

Subd. 7. Fish and Wildlife Management

46,970,000                      47,675,000

Summary by Fund

General	8,331,000	8,046,000
Natural Resources	2,091,000	2,132,000
Game and Fish	36,548,000	37,497,000

\$316,000 the first year and \$322,000 the second year are for resource population surveys in the 1837 treaty area. Of this amount, \$108,000 the first year and \$109,000 the second year are from the game and fish fund.

\$965,000 the first year and \$985,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first



year does not cancel but is available the second year.

\$1,391,000 the first year and \$1,420,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$1,401,000 the first year and \$1,409,000 the second year are from the wildlife acquisition account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 2a.

\$1,203,000 the first year and \$1,222,000 the second year are from the deer habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$147,000 the first year and \$147,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$682,000 the first year and \$691,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$658,000 the first year and \$662,000 the second year are from the trout and salmon management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$546,000 the first year and \$546,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4. In addition to the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4, this appropriation may be used for pheasant restocking efforts.

\$84,000 the first year and \$85,000 the second year are from the wild turkey management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 5.

\$25,000 the first year is to publicize the critical habitat license plate match program and \$25,000 the second year is to publicize the tax donation checkoff to the nongame wildlife program.

\$299,000 the first year and \$303,000 the second year are from the game and fish fund for activities relating to reduction and prevention of property damage by wildlife. \$50,000 each year is for emergency damage abatement materials.

\$100,000 the first year and \$100,000 the second year are for water monitoring activities, including integrated monitoring using biology, chemistry, hydrology, and habitat assessment for water quality assessment.

\$25,000 is for an independent actuarial study of the fee structure for lifetime hunting and fishing licenses.

\$1,565,000 the first year and \$1,565,000 the second year are for field operation costs associated with the division of wildlife and fish. Eighty-five percent of this appropriation must be used for regional field operations. The commissioner must provide a report by February 1, 2000, to the legislative finance committees on natural resources on how and where the money for regional field operations has been spent.

\$500,000 the first year and \$500,000 the second year are for expansion of the walleye stocking program.

\$100,000 the first year is for grants for the joint development with the Minnesota office of the National Audobon Society to be split equally between the Minnesota river valley birding trail and a Mississippi river valley birding trail. The Mississippi river parkway commission also shall assist with the Mississippi river valley birding trail. The grants shall be available to support initial planning and design for the trails. A work plan for each trail must be approved by the department of natural resources. The appropriation is available for the biennium ending June 30, 2001.

Subd. 8. Enforcement

21,856,000                      22,001,000

Summary by Fund

General	3,874,000	3,645,000
Natural Resources	4,596,000	4,652,000
Game and Fish	13,286,000	13,604,000
Solid Waste	100,000	100,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$100,000 each year is from the solid waste fund for solid waste enforcement activities under Minnesota Statutes, section 116.073.

\$400,000 each year from the snowmobile trails and enforcement account in the natural resources fund is for grants to local law enforcement agencies for snowmobile enforcement activities above and beyond current levels of local law enforcement activities.

\$302,000 the first year is for conversion to the Minnesota state patrol's 800 MHz radio system in the nine-county metropolitan area.

Overtime shall be distributed to conservation officers at historical levels. If funding for enforcement is reduced because of an unallotment, the overtime bank may be reduced in proportion to reductions made in other areas of the budget.

\$40,000 the first year and \$40,000 the second year are from the natural resources fund for enforcement activities relating to the Iron Range off-highway vehicle recreation area. Of the amount appropriated, \$40,000 is from the all-terrain vehicle account, \$32,000 is from the off-road vehicle account, and \$8,000 is from the off-highway motorcycle account.

\$130,000 the first year and \$130,000 the second year are to continue the enforcement community liaison officers program.

If Minnesota Statutes, section 86B.415, subdivision 7a, is repealed, a refund of the \$50 surcharge shall be issued by the commissioner to any person who demonstrates having paid the fee.

#### Subd. 9. Operations Support

32,960,000                      31,464,000

#### Summary by Fund

General	20,654,000	18,948,000
Natural Resources	3,624,000	3,704,000
Game and Fish	8,682,000	8,812,000

\$429,000 the first year and \$432,000 the second year are for the community assistance program to provide for technical assistance and regional resource enhancement grants.

\$344,000 the first year and \$348,000 the second year are for technical assistance and grants to assist local government units and organizations in the metropolitan area to acquire and develop natural areas and greenways.

\$50,000 each year is to maintain the state parks Southeast Asian environmental education program.

\$700,000 the first year and \$500,000 the second year are for information technology projects.

\$2,500,000 the first year and \$500,000 the second year are for statewide asset preservation and repair.

Electronic licensing under Minnesota Statutes, section 84.027, subdivision 15, other than by telephone or Internet transaction, may not be implemented until March 1, 2000. The commissioner shall review and analyze other types of licensing systems and report to the house and senate environmental finance committees by January 15, 2000.

**Sec. 6. BOARD OF WATER AND SOIL RESOURCES**

18,896,000

18,228,000

\$5,480,000 the first year and \$5,480,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 each year is for a grant to the North Shore Management Board, \$35,000 each year is for a grant to the St. Louis River Board, \$100,000 each year is for a grant to the Minnesota River Basin Joint Powers Board, and \$27,000 each year is for a grant to the Southeast Minnesota Resources Board.

The board shall reduce the amount of the natural resource block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's 1998 allocation.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$4,120,000 the first year and \$4,120,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. Of this amount, \$32,000 the first year is for a grant to the Blue Earth county soil and water conservation districts for stream bank stabilization on the LeSueur river within the city limits of St. Clair; and at least \$1,500,000 the first year and \$1,500,000 the second year are for grants for cost-sharing contracts for water quality

management on feedlots. Priority must be given to feedlot operators who have received notices of violation and for feedlots in counties that are conducting or have completed a level 2 or level 3 feedlot inventory. This appropriation is available until expended. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for floodplain management. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$1,203,000 the first year and \$450,000 the second year are for the administrative costs of easement and grant programs.

Any unencumbered balance in the board's program of grants does not cancel at the end of the first year and is available for the second year for the same grant program. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

Sec. 7. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	183,000	188,000
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Summary by Fund

General	150,000	154,000
Natural Resources	33,000	34,000

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

\$33,000 the first year and \$34,000 the second year are from the water recreation account in the natural resources fund for the St. Croix management and stewardship program.

Sec. 8. CITIZENS COUNCIL ON VOYAGEURS NATIONAL PARK	66,000	68,000
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Sec. 9. SCIENCE MUSEUM OF MINNESOTA	1,164,000	1,164,000
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Sec. 10. MINNESOTA ACADEMY OF SCIENCE	41,000	41,000
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\$5,000 each year is for a program to provide hands on science activities for elementary school children.

Sec. 11. AGRICULTURE

Subdivision 1. Total Appropriation	23,908,000	22,261,000
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## Summary by Fund

General	23,572,000	21,919,000
Environmental	336,000	342,000

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

## Subd. 2. Protection Service

11,609,000	11,194,000
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## Summary by Fund

General	11,273,000	10,852,000
Environmental	336,000	342,000

\$336,000 the first year and \$342,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

\$158,000 the first year and \$158,000 the second year are for payment of claims relating to livestock damaged by threatened or endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$251,000 the first year and \$502,000 the second year are for dairy diagnostic teams.

\$25,000 the first year and \$25,000 the second year are for activities of the dairy producers board under Minnesota Statutes, section 17.76.

\$100,000 the first year is to conduct a feasibility study for a joint agency laboratory that will serve the environmental laboratory needs of the department of agriculture, department of natural resources, pollution control agency, and the Minnesota department of health.

\$900,000 the first year is for a grant to the University of Minnesota to pursue further research on diseases of soybeans including, but not limited to, soybean cyst nematode, white mold (sclerotinia stem rot), phytophthora root rot, and iron deficiency chlorosis. A portion of this appropriation may be designated for research on specialty gene traits of soybeans.

\$100,000 is transferred from the general fund to the seed potato inspection account in the agriculture fund for the administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92. This appropriation is to supplement the fees paid by seed potato growers.

## Subd. 3. Agricultural Marketing and Development

6,521,000

5,410,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3a, the total payments from the ethanol development account to all producers may not exceed \$68,447,000 for the biennium ending June 30, 2001. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. In fiscal year 2000, the commissioner shall first reimburse producers for eligible unpaid claims accumulated through June 30, 1999.

\$500,000 the first year is appropriated to the rural finance authority for making a loan under Minnesota Statutes, section 41B.044. Principal and interest payments on the loan must be deposited in the ethanol development account for producer payments under Minnesota Statutes, section 41B.09.

By July 15, 1999, the commissioner shall transfer the unencumbered cash balance in the ethanol development fund established in Minnesota Statutes, section 41B.044, to the general fund.

\$200,000 the first year is for a grant from the commissioner to the Minnesota Turkey Growers Association for assistance to an entity that constructs a facility that uses poultry litter as a fuel for the generation of electricity. This amount must be matched by \$1 of nonstate money for each dollar of state money. This is a one-time appropriation.

\$50,000 the first year is for the commissioner, in consultation with the commissioner of economic development, to conduct a study of the need for a commercial shipping port at which agricultural cooperatives or individual farmers would have access to port facilities. This is a one-time appropriation.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$100,000 the first year is for a grant to the University of Minnesota extension service for its farm safety and health program. This is a one-time appropriation.

\$225,000 the first year and \$75,000 the second year are for grants to the Minnesota agricultural education leadership council for the planning and implementation of initiatives enhancing and expanding agricultural education in rural and urban areas of the state. Funds not used in the first year are available for the second year. This is a one-time appropriation.

\$480,000 the first year and \$420,000 the second year are to the commissioner of agriculture for programs to aggressively promote, develop, expand, and enhance the marketing of agricultural products from Minnesota producers and processors. The commissioner must enter into collaborative efforts with the department of trade and economic development, the world trade center corporation, and other public or private entities knowledgeable in market identification and development. The commissioner may also contract with or make grants to public or private organizations involved in efforts to enhance communication between producers and markets and organizations that identify, develop, and promote the marketing of Minnesota agricultural crops, livestock, and produce in local, regional, national, and international marketplaces. Grants may be provided to appropriate organizations including those functioning as marketing clubs, to a cooperative known as Minnesota Marketplace, and to recognized associations of producers or processors of organic foods or Minnesota grown specialty crops. Beginning October 15, 1999, and 15 days after the close of each calendar quarter thereafter, the commissioner shall provide to the senate and house committees with jurisdiction over agriculture policy and funding interim reports of the progress toward accomplishing the goals of this item. The commissioner shall deliver a final report on March 1, 2001. If the appropriation for either year is insufficient, the appropriation for the other year is available. This is a one-time appropriation that remains available until expended.

\$60,000 the second year is for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be matched at the rate of one state dollar for each dollar of nonstate money. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the



demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

\$160,000 each year is for value-added agricultural product processing and marketing grants under Minnesota Statutes, section 17.101, subdivision 5.

\$450,000 the first year and \$300,000 the second year are for continued research of solutions and alternatives for manure management and odor control. This is a one-time appropriation.

\$50,000 the first year and \$50,000 the second year are for annual cost-share payments to resident farmers for the costs of organic certification. The annual cost-share payments per farmer shall be two-thirds of the cost of the certification or \$200, whichever is less. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. This appropriation is available until expended.

\$30,000 the first year is to assess producer production contracts under section 205. This appropriation is available until June 30, 2001.

Subd. 4. Administration and  
Financial Assistance

5,778,000	5,657,000
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\$175,000 the first year and \$175,000 the second year must be spent for the WIC coupon program.

\$49,000 the first year and \$49,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 2000 or 2001.

\$234,000 the first year and \$236,000 the second year are for the farm advocates program.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$175,000 the first year and \$175,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of \$4 of state money for each \$1 of matching nonstate money that is raised.

\$115,000 the first year and \$115,000 the second

year are for the Seaway Port Authority of Duluth.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota Livestock Breeders' Association.

\$50,000 the first year and \$50,000 the second year are for the Passing on the Farm Center under Minnesota Statutes, section 17.985. This appropriation is available only to the extent matched with nonstate money, including in-kind contributions at the rate of one nonstate dollar for every four state dollars.

\$65,000 each year is for beaver damage control grants for the purposes of Minnesota Statutes, section 17.110.

\$267,000 the first year is for a pilot program to expand the concept of the Minnesota grown program pursuant to Laws 1998, chapter 401, section 6.

\$1,275,000 the first year and \$1,275,000 the second year are for an electronic information management system.

\$50,000 the first year and \$50,000 the second year are for activities related to reform of the federal milk marketing orders system and for activities opposing interstate dairy compacts. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$15,000 the first year is for a study of the business climate for dairy farmers. The study must determine the impact of current trends in the dairy industry on the economic, social, and environmental conditions in rural Minnesota and the long-term viability of the dairy processing industry in Minnesota. Not later than February 15, 2000, the commissioner must report to the legislature on a proposed strategic plan to ensure the sustained viability of the dairy industry in the state.

\$125,000 the first year and \$125,000 the second year are for the dairy inspection account. This is a one-time appropriation. By February 15, 2000, the commissioner shall review the fairness and equity of the fee structure for dairy inspections and report the findings to the legislature.

Sec. 12. BOARD OF ANIMAL HEALTH

2,810,000

2,764,000

\$300,000 the first year and \$200,000 the second year are for a program to control para-tuberculosis ("Johne's disease") in domestic bovine herds.

\$40,000 the first year and \$40,000 the second year are for a grant to the University of Minnesota college of veterinary medicine to be used for development and implementation of the companion animal resource education program, in collaboration with the Minnesota extension service.

\$118,000 each year is for a program to investigate the avian pneumovirus disease and to identify the infected flocks.

Sec. 13. MINNESOTA HORTICULTURAL SOCIETY

82,000 82,000

Sec. 14. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE

3,830,000 4,330,000

Summary by Fund

General 3,630,000 4,130,000

Special Revenue 200,000 200,000

The agricultural utilization research institute must collaborate with the commissioner of agriculture on issues of market development and technology transfer.

\$200,000 the first year and \$200,000 the second year are for hybrid tree management research and development of an implementation plan for establishing hybrid tree plantations in the state. This appropriation is available to the extent matched by \$2 of nonstate contributions, either cash or in kind, for each \$1 of state money.

Sec. 15. TRANSPORTATION

200,000 -0-

\$200,000 is for a grant to the city of Savage or Scott county, or both, for engineering and environmental studies relating to the extension of Scott county state-aid highway No. 27 in the vicinity of the Savage fen wetlands complex. As a condition of this grant, the recipient must submit a work program and submit semiannual progress reports as provided in Minnesota Statutes, section 116P.05, subdivision 2, paragraph (c). This is a one-time appropriation.

Sec. 16. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation

29,245,000 13,005,000

All of the appropriations in this section are one-time appropriations unless otherwise specified.

Summary by Fund

Minnesota Future Resources Fund

16,040,000 -0-

Environment and Natural Resources Trust Fund	991,000	13,005,000	13,005,000
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Great Lakes Protection Account		200,000	-0-
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Appropriations from the Minnesota future resources fund and the Great Lakes protection account are available for either year of the biennium.

For appropriations from the environment and natural resources trust fund, any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

Unless otherwise provided, the amounts in this section are available until June 30, 2001, when projects must be completed and final products delivered.

#### Subd. 2. Definitions

(a) "Future resources fund" means the Minnesota future resources fund referred to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(c) "Great Lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

#### Subd. 3. Legislative Commission on Minnesota Resources

583,000	284,000
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#### Summary by Fund

Future Resources Fund	300,000	-0-
Trust Fund	283,000	284,000

\$300,000 is from the future resources fund and \$283,000 the first year and \$284,000 the second year are from the trust fund, pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

#### Subd. 4. Recreation

8,357,000	2,770,000
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#### Summary by Fund

Future Resources Fund	5,587,000	-0-
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Trust Fund	2,770,000	2,770,000
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(a) Local Initiatives Grants Program.

This appropriation is to the commissioner of natural resources to provide matching grants, as follows:

(1) \$1,953,000 is from the future resources fund to local units of government for local park and recreation areas of up to \$250,000 notwithstanding Minnesota Statutes, section 85.019. \$50,000 is to complete the Larue Pit Recreation Development. \$28,000 is to the city of Hitterdal for park construction at Lake Flora. \$460,000 is available on the day following final enactment.

(2) \$435,000 the first year and \$435,000 the second year are from the trust fund to local units of government for natural and scenic areas pursuant to Minnesota Statutes, section 85.019.

(3) \$1,484,000 is from the future resources fund for trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grant. \$500,000 is for grants of up to \$50,000 per project for trail linkages between communities, trails, and parks, and \$720,000 is for grants of up to \$250,000 for locally funded trails of regional significance outside the metropolitan area. \$50,000 is to the upper Minnesota River valley regional development commission for the preliminary design and engineering of a single segment of the Minnesota River trail from Appleton to the Milan Beach on Lake Lac Qui Parle. \$160,000 is to the Department of Natural Resources to resurface four miles of recreational trail from the town of Milan to Lake Lac Qui Parle in Chippewa county.

(4) \$305,000 the first year and \$305,000 the second year are from the trust fund for a statewide conservation partners program, to encourage private organizations and local governments to cost share improvement of fish, wildlife, and native plant habitats and research and surveys of fish and wildlife. Conservation partners grants may be up to \$20,000 each. \$10,000 is for an agreement with the Canby Sportsman's Club for shelterbelts for habitat and erosion control.

(5) \$100,000 the first year and \$100,000 the second year are from the trust fund for environmental partnerships program grants of up

to \$20,000 each for environmental service projects and related education activities through public and private partnerships.

In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources and the commission has approved the grants or allowed 60 days to pass. The commission shall monitor the grants for approximate balance over extended periods of time between the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and the nonmetropolitan area through work program oversight and periodic allocation decisions. For the purpose of this paragraph, the match must be nonstate contributions, but may be either cash or in-kind. Recipients may receive funding for more than one project in any given grant period. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. If a project financed under this program receives a federal grant, the availability of the financing from this subdivision for that project is extended to equal the period of the federal grant.

(b) Mesabi Trail Land  
Acquisition and  
Development - Continuation

\$1,000,000 is from the future resources fund to the commissioner of natural resources for an agreement with St. Louis and Lake Counties Regional Rail Authority for the fourth biennium to develop and acquire segments of the Mesabi trail and procure design and engineering for trail heads and enhancements. This appropriation must be matched by at least \$1,000,000 of nonstate money. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Kabetogama to Ash River  
Community Trail System

\$100,000 is from the future resources fund to the commissioner of natural resources for an agreement with Kabetogama Lake Association in cooperation with the National Park Service for trail construction linking Lake Kabetogama, Ash River, and Voyageurs National Park. This appropriation must be matched by at least \$100,000 of nonstate money.

This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Mesabi Trail  
Connection

\$80,000 is from the future resources fund to the commissioner of natural resources for an agreement with the East Range Joint Powers Board to develop trail connections to the Mesabi Trail with the communities of Aurora, Hoyt Lakes, and White. This appropriation must be matched by at least \$80,000 of nonstate money. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) Dakota County  
Bikeway Mapping

\$15,000 is from the future resources fund to the metropolitan council for an agreement with Dakota county to cost share the integration of digital elevation information in the Dakota county geographic information system database with trail and bikeway routes and develop maps for trail and bikeway users.

(f) Mississippi Riverfront  
Trail and Access

\$155,000 is from the future resources fund to the commissioner of natural resources for an agreement with the city of Hastings to acquire and restore the public access area and to complete the connecting riverfront trail from the public access to lock and dam number two adjacent to Lake Rebecca. This appropriation must be matched by at least \$155,000 of nonstate money.

(g) Management and Restoration  
of Natural Plant Communities  
on State Trails

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources to manage and restore natural plant communities along state trails under Minnesota Statutes, section 85.015

(h) Gitchi-Gami State Trail

\$275,000 the first year and \$275,000 the second year are from the trust fund to the commissioner of natural resources for construction of the Gitchi-Gami state trail through Split Rock State

Park. The commissioner must submit grant requests for supplemental funding for federal TEA-21 money in eligible categories and report the results to the legislative commission on Minnesota resources. All segments of the trail must become part of the state trail system. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(i) State Park and Recreation  
Area Acquisition, Development,  
Betterment, and Rehabilitation

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources as follows: (1) for state park and recreation area acquisition, \$500,000; and (2) for state park and recreation area development, rehabilitation, and resource management, \$500,000, unless otherwise specified in the approved work program. The use of the Minnesota conservation corps is encouraged. The commissioner must submit grant requests for supplemental funding for federal TEA-21 money in eligible categories and report the results to the legislative commission on Minnesota resources. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(j) Fort Snelling State Park;  
Upper Bluff Implementation -  
Continuation

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources to implement the utilization plan for the Upper Bluff area of Fort Snelling Park.

(k) Interpretive Boat  
Tours of Hill Annex  
Mine State Park

\$30,000 the first year and \$30,000 the second year are from the trust fund to the commissioner of natural resources to add interpretive boat excursion tours of the mine. The project will include purchase and equipping of a craft and development of a landing area.

(l) Metropolitan Regional Parks  
Acquisition, Rehabilitation,  
and Development



\$1,000,000 the first year and \$1,000,000 the second year are from the trust fund to the metropolitan council for subgrants for acquisition, development, and rehabilitation in the metropolitan regional park system, consistent with the metropolitan council regional recreation open space capital improvement plan. This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources. The metropolitan council shall collect and digitize all local, regional, state, and federal parks and all off-road trails with connecting on-road routes for the metropolitan area and produce a printed map that is available to the public. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(m) Como Park Campus Maintenance

\$500,000 is from the future resources fund to the department of finance for a grant to the city of St. Paul for a subsidy for the maintenance and repair of live plant and animal exhibits for the zoo and the conservatory at the Como Park campus.

(n) Luce Line Trail  
Connection Through  
Wirth Park

\$300,000 the first year is from the future resources fund to the metropolitan council for an agreement with the Minneapolis Park and Recreation Board to complete the construction of a bicycle and pedestrian trail link through Wirth Park to connect the Minneapolis Regional Trail System with the Luce Line State Trail. This appropriation must be matched by at least \$300,000 of nonstate money. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 5. Historic

477,000	213,000
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Summary by Fund

Future Resources Fund	265,000	-0-
Trust Fund	212,000	213,000

(a) Using National Register

Properties to Interpret  
Minnesota History

\$90,000 is from the future resources fund to the Minnesota Historical Society to create interactive, mini-documentaries in Internet format using the National Register properties to interpret selected themes in Minnesota history.

(b) Historic Site Land  
Acquisition

\$87,000 the first year and \$88,000 the second year are from the trust fund to the Minnesota Historical Society to purchase land adjacent to the Lower Sioux Agency, Jeffers Petroglyphs, and Oliver Kelley Farm sites to protect the historic resources. Allocation of dollars between the three sites shall be determined based on the willingness of sellers and reasonable purchase prices at the respective sites. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Gibbs Farm Museum  
Interpretation

\$150,000 is from the future resources fund to the Minnesota Historical Society for an agreement with Ramsey County Historical Society to build and furnish replica structures of historic lifestyles and land use of the Dakota and pioneers.

(d) Traverse des Sioux  
Site Development

\$125,000 the first year and 125,000 the second year are from the trust fund to the Minnesota Historical Society to improve public access to state historic site Traverse des Sioux including trails, interpretive markers, and basic visitor amenities.

(e) Old Wadena Historic  
Site Development

\$25,000 is from the future resources fund to the Minnesota Historical Society for an agreement with Wah De Nah Historic and Environmental Learning Project to develop a footbridge, archaeological survey, and educational programs. This appropriation must be matched by at least \$6,000 of nonstate money.

Subd. 6. Water Quality

2,270,000

730,000

## Summary by Fund

Future Resources Fund	1,540,000	-0-
Trust Fund	730,000	730,000

(a) On-Site Sewage Treatment  
Alternatives; Performance,  
Outreach and  
Demonstration - Continuation

\$275,000 the first year and \$275,000 the second year are from the trust fund to the commissioner of the pollution control agency for the third biennium to monitor previously built test sites for pathogen removal and other parameters for indicators of treatment efficiency, to determine maintenance needs and system longevity, and to pursue the establishment of cooperative demonstration projects.

(b) Identification of Sediment  
Sources in Agricultural  
Watersheds

\$175,000 the first year and \$175,000 the second year are from the trust fund to the Science Museum of Minnesota to quantify the contribution of streambank erosion versus overland erosion sources to riverine suspended sediment concentrations. This appropriation must be matched by at least \$90,000 of nonstate money.

(c) Accelerated Statewide  
Local Water Plan  
Implementation

\$1,000,000 is from the future resources fund to the board of water and soil resources to accelerate the local water planning challenge grant program under Minnesota Statutes, section 103B.3361, to assist in the implementation of high priority activities in comprehensive water management plans on a cost-share basis. \$140,000 is to St. Louis county to inventory and evaluate existing sewage treatment systems. \$75,000 is to the Whitefish Area Property Owners Association in cooperation with Crow Wing county to inspect all lakeshore properties on the Whitefish chain of lakes for conformance with septic system requirements. \$50,000 is to Chisago county to develop sustainable wastewater treatment alternatives which must be matched by at least \$30,000 of nonstate money.

(d) Tracking Sources of Fecal  
Pollution Using DNA Techniques

\$150,000 the first year and \$150,000 the second year are from the trust fund to the University of Minnesota to define sources of fecal pollution in waters.

(e) Groundwater Flow in the  
Prairie du Chien Aquifer

\$55,000 the first year and \$55,000 the second year are from the trust fund to the University of Minnesota to characterize groundwater flow within the Prairie du Chien Formation.

(f) Lake Minnetonka Citizens'  
Monitoring and Education  
Network

\$40,000 is from the future resources fund to the commissioner of natural resources for an agreement with the Lake Minnetonka Association to begin volunteer network training and education for a comprehensive monitoring program. This appropriation must be matched by at least \$20,000 of nonstate money.

(g) Erosion Impacts on the  
Cannon Valley Big Woods

\$75,000 the first year and \$75,000 the second year are from the trust fund to the University of Minnesota in cooperation with the Big Woods Project to determine historical and future effects of land practices on soil erosion levels and develop land management tools in the big woods ecosystem in Rice county.

(h) City of the Lakes Flood  
Mitigation and Gravity Flow Stream System

\$500,000 the first year is from the future resources fund to the metropolitan council for an agreement with the Minneapolis Park and Recreation Board. Up to \$250,000 is to complete construction of the gravity flow stream connection between Lake Calhoun and Lake Harriet to improve lakewater quality and equalize water levels in the chain of lakes. At least \$250,000 the first year is for flood mitigation, shoreland stabilization, design and engineering, and wetland replacement at Lake of the Isles. The appropriation for the gravity flow stream connection project must be matched by sufficient nonstate money to complete the project.

Subd. 7. Agriculture and Natural  
Resource Based Industries

4,818,000

1,282,000

## Summary by Fund

Future Resources Fund	3,535,000	-0-
Trust Fund	1,283,000	1,282,000

## (a) Green Forest Certification Project

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Institute for Agriculture and Trade Policy to certify foresters and to evaluate private forest lands for green certification.

## (b) Accelerated Transfer of New Forest - Research Findings

\$58,000 the first year and \$57,000 the second year are from the trust fund to the University of Minnesota to accelerate educational programming by the sustainable forest education cooperative on the practical application of landscape-level analysis in site-level forest management.

## (c) Minnesota Wildlife Tourism Initiative

\$125,000 the first year and \$125,000 the second year are from the trust fund to the commissioner of natural resources to develop, implement, and evaluate a project focusing on wildlife tourism as a sustainable industry in Minnesota in cooperation with the office of tourism.

## (d) Integrated Prairie Management

\$175,000 the first year and \$175,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota and Clay county in a cooperative project for an aggregate resource inventory on public lands, prairie restoration and research, and stewardship plans for management options. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

## (e) Improved Agricultural Systems Overlying Sensitive Aquifers in Southwestern Minnesota

\$200,000 is from the future resources fund to the commissioner of agriculture for an agreement with the University of Minnesota, Southwest Experiment Station, to provide technical support,

research, systems evaluation, and advisory teams to protect sensitive alluvial aquifers threatened by nitrate contamination in southwest Minnesota.

(f) Diversifying Agriculture for Environmental, Economic, and Social Benefits

\$200,000 the first year and \$200,000 the second year are from the trust fund to the University of Minnesota to research new plant materials and crop management systems for diversification.

(g) Minnesota River Basin Initiative; Local Leadership

\$150,000 the first year and \$150,000 the second year are from the trust fund to the board of water and soil resources for a cost share agreement with the Minnesota River Basin Joint Powers Board for landscape planning and demonstration, and restoration and management projects for the Minnesota River on a cost-share basis.

(h) Commercial Fertilizer Plant for Livestock Solid Waste Processing

\$400,000 is from the future resources fund to the agricultural utilization research institute for an agreement with AquaCare International, Inc. to establish a commercial grade fertilizer plant that will enhance and process animal wastewater solids through micronization technology. This appropriation must be matched by at least \$425,000 of nonstate money. As a condition of receiving this appropriation, AquaCare International, Inc. must agree to pay to the state a royalty. Notwithstanding Minnesota Statutes, section 116P.10, the royalty must be two percent of gross revenues accruing to AquaCare International, Inc. from this application of micronization technology. Receipts from the royalty must be credited to the fund.

(i) Preservation of Native Wild Rice Resource

\$200,000 is from the future resources fund to the commissioner of natural resources for an agreement with Leech Lake Reservation to analyze critical factors in different northern rice habitats and determine methods to preserve the natural diversity of wild rice. This appropriation must be matched by at least \$45,000 of nonstate money.

(j) Wild Rice Management Planning

\$200,000 is from the future resources fund to the

commissioner of natural resources for an agreement with the Boise Forte Band of Chippewa to develop databases and management plans for northern wild rice lakes. This appropriation must be matched by at least \$20,000 of nonstate money.

(k) Mesabi Iron Range,  
Water and Mineral Resource  
Planning

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources. \$125,000 the first year and \$125,000 the second year are from the trust fund to the University of Minnesota to develop and assemble essential data on stockpile composition and ownership, complete hydrogeologic base maps, site and design an overflow outlet, and distribute results to local government and industry. This project is to be coordinated by the Range Association of Municipalities and Schools. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(l) Sustainable Aquaculture  
Development in Minnesota

\$130,000 is from the future resources fund to the commissioner of agriculture in cooperation with the University of Minnesota to develop, demonstrate, and evaluate prototypes of aquaponic systems that operate in an urban environment and use a combination of aquacultural and hydroponic techniques to produce fish and plants for human consumption. \$55,000 is from the future resources fund to the commissioner of agriculture in cooperation with the MinAqua Fisheries Cooperative, with assistance from the University of Minnesota, for the purchase, operation, and demonstration of ozonation equipment for water treatment and conditioning in large recirculating aquaculture systems. These appropriations are available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. As a condition of receiving this appropriation, MinAqua Fisheries Cooperative must agree to pay to the state a royalty. Notwithstanding Minnesota Statutes, section 116P.10, the royalty must be two percent of the gross revenues accruing to MinAqua Fisheries Cooperative from this application of ozonation technology.

Receipts from the royalty must be credited to the fund.

(m) Sustainable Farming  
Systems - Continuation

\$350,000 is from the future resources fund to the University of Minnesota, Minnesota Institute for Sustainable Agriculture, for on-farm and experiment station research, documentation and dissemination of information on alternative farm practices in order to integrate recent scientific advances, improve farm efficiencies, promote profitability, and to enhance environmental quality.

(n) Economic Analysis of  
Agriculture for Multiple  
Benefits

\$200,000 is from the future resources fund to the commissioner of agriculture for an agreement with the Land Stewardship Project to evaluate economic and environmental benefits from current and future agricultural production.

(o) Nonwood Agricultural Fibers  
and Industrial Hemp for Pulp  
and Paper Manufacture

\$200,000 is from the future resources fund to the University of Minnesota to investigate the feasibility of various agricultural pulp markets in the development of small scale pulp mills in the agricultural regions of the state.

(p) Sustainable Livestock  
Systems

\$350,000 is from the future resources fund to the commissioner of agriculture for an agreement with the University of Minnesota, West Central Experiment Station, for on-farm research and education programs to support small- to moderate-scale farms through whole farm planning and monitoring of forage-based livestock systems.

(q) Forest Wildlife Biologist  
for Ruffed Grouse

\$1,000,000 is from the future resources fund to the commissioner of natural resources for an agreement with the Ruffed Grouse Society, Inc. to fund a position and related costs for a forest wildlife biologist employed by the society that will provide technical assistance to public and private landowners for improved ruffed grouse habitat and related forest wildlife conservation. The activity funded by this appropriation must be



done in collaboration with institutes of higher learning and state agencies. The amounts of this appropriation made available in each fiscal year must not exceed those stated in the work program. As a condition of receiving this appropriation, the society must demonstrate that it has created a private endowment to fund this position and related costs with nonstate money after this appropriation has been spent. The society must demonstrate that it has a sound financial plan to increase the principal of the endowment to at least \$1,000,000 of nonstate money by January 1, 2000, and to \$2,000,000 of nonstate money by June 30, 2007. The work program must provide that failure of the society to meet the goals of the financial plan on time will cause further payments from this appropriation to be withheld until the goals are met. This appropriation is available until June 30, 2007, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(r) Organic Farming  
Training Project

\$175,000 the first year and \$175,000 the second year are from the trust fund to the commissioner of agriculture for an agreement with the Minnesota Food Association in cooperation with the Midwest Organic Alliance to recruit and train new immigrant and conventional farmers in sustainable and organic methods utilizing a mentoring approach.

(s) Construction and Demolition  
Waste Abatement  
Demonstration Project

\$250,000 is from the future resources fund to the director of the office of environmental assistance for an agreement with the Green Institute to field test building salvage strategies, expanding markets for salvaged materials, and creating a community-based enterprise model.

Subd. 8. Urbanization Impacts

973,000                      400,000

Summary by Fund

Future Resources Fund	573,000	-0-
Trust Fund	400,000	400,000

(a) Resources for Redevelopment:  
A Community Property  
Investigation Program

\$100,000 is from the future resources fund to the pollution control agency for an agreement with the Minnesota Environmental Initiative to assess environmental contamination in up to sixteen brownfield sites statewide on a cost-share basis for each site in order to promote property redevelopment by community nonprofit organizations.

(b) Tools and Training for  
Community-Based Planning

\$225,000 the first year and \$225,000 the second year are from the trust fund to the office of strategic and long-range planning to develop software, data, and training for local government planning for delivery of state geographic information systems data and models for social and environmental decision making.

(c) Protecting Dakota County  
Farmland and Natural Areas

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Dakota county to inventory and identify unique farmland and natural areas and to protect land through conservation easements.

(d) Urban Corridor Design

\$400,000 is from the future resources fund to the University of Minnesota to develop sustainability designs for selected urban corridors. One project must be inside the metropolitan area and one project must be outside the metropolitan area.

(e) Conservation-Based Development  
Program

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Land Trust to design four model developments and acquire conservation easements within new developments that enhance the natural, rural landscape. This appropriation must be matched by at least \$65,000 of nonstate money.

(f) Chisago Lakes Outlet  
Channel Project

\$40,000 is from the future resources fund to the commissioner of natural resources for an agreement with Chisago county to complete the final construction phase of the outlet channel at Chisago Lakes. This appropriation must be matched by at least \$50,000 of nonstate money.

(g) Blufflands Implementation

\$33,000 the first year is from the future resources fund to the commissioner of natural resources for an agreement with Winona county to implement land protection recommendations in the blufflands design manual.

Subd. 9. Innovations in Energy and Transportation

263,000 62,000

Summary by Fund

Future Resources Fund	200,000	-0-
Trust Fund	63,000	62,000

(a) Ice Arena Design for Efficiency and Air Quality - Continuation

\$100,000 is from the future resources fund to the amateur sports commission for an agreement with the Center for Energy and Environment in cooperation with the department of health to enhance energy efficiency and assure indoor air quality in new and existing ice arenas in Minnesota technical assistance and energy audits.

(b) Promoting High Efficiency Cogeneration

\$100,000 is from the future resources fund to the office of strategic and long-range planning and the Minnesota environmental quality board to develop a statewide inventory of potential cogeneration sites and a regulatory guidance manual.

(c) Evaluate Biodiesel Made From Waste Fats and Oils

\$63,000 the first year and \$62,000 the second year are from the trust fund to the commissioner of agriculture in cooperation with the Minnesota Soybean Growers Association to produce a diesel fuel from soybeans and waste cooking oils and greases, for laboratory evaluation of the fuel for particulates and engine power, and for trial in light-duty vehicles. The appropriation must be matched by at least \$50,000 of nonstate money.

Subd. 10. Decision-Making Tools

1,000,000 705,000

Summary by Fund

Future Resources Fund	295,000	-0-
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Trust Fund	705,000	705,000
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(a) Goodhue County Natural Resources  
Inventory and Management Plan

\$75,000 is from the future resources fund to the board of water and soil resources for an agreement with Goodhue county to inventory, evaluate, and describe natural resources and create a geographic information system-based map and database. The appropriation must be matched by at least \$50,000 of nonstate money.

(b) Public Access to Mineral  
Knowledge

\$100,000 is from the future resources fund to the department of natural resources to accelerate the automation of historic mineral exploration information and to make the database accessible and searchable.

(c) Updating Outmoded Soil  
Surveys - Continuation

\$250,000 the first year and \$250,000 the second year are from the trust fund to the board of water and soil resources for the first biennium of a four biennia project to accelerate a statewide program to begin to update and digitize soil surveys in up to 25 counties, including Fillmore county. Participating counties must provide a cost share.

(d) Climate Variability and Change  
Impacts on Minnesota Resources

\$175,000 the first year and \$175,000 the second year are from the trust fund to the University of Minnesota to develop a database of climate measures relevant to recreation, tourism, agriculture, and forestry, and to construct climate scenarios for Minnesota over the next 50 years.

(e) Minnesota Environmentally  
Preferable Chemicals Project

\$75,000 the first year and \$75,000 the second year are from the trust fund to the office of environmental assistance for an agreement with the Institute for Local Self-Reliance to build an industry network of users and producers of petrochemicals and biochemicals, and to promote a shift to environmentally preferable chemicals. This appropriation must be matched by at least \$40,000 of nonstate money.

(f) GIS Utilization of Historic  
Timberland Survey Records

\$120,000 is from the future resources fund to the Minnesota Historical Society to digitize and

distribute historic timberland survey records in a geographic information system format.

(g) By-Products Application  
to Agricultural, Mineland, and  
Forest Soils

\$175,000 the first year and \$175,000 the second year are from the trust fund to the pollution control agency for an agreement with Western Lake Superior Sanitary District to create a northeast Minnesota consortium of public utilities, wood-products, and mining industries to research environmentally sound coapplications of industrial and municipal by-products for agriculture, forestry, and mineland reclamation. This appropriation must be matched by at least \$21,000 of nonstate money.

(h) Winter Severity Index  
for Deer

\$30,000 the first year and \$30,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to determine the relationship between the winter severity index, deer condition, and deer mortality. This appropriation must be matched by at least \$5,000 in nonstate money and at least \$30,000 in-kind match. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 11. Environmental Education

1,970,000	885,000
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Summary by Fund

Future Resources Fund	1,085,000	-0-
Trust Fund	885,000	885,000

(a) Uncommon Ground: An Educational  
Television Series

\$200,000 the first year and \$200,000 the second year are from the trust fund to the University of Minnesota for matching funding to produce a televised series of natural landscapes chronicling two centuries of change in Minnesota.

(b) Karst Education for  
Southeastern Minnesota

\$60,000 the first year and \$60,000 the second year are from the trust fund to the board of water

and soil resources for an agreement with the Southeast Minnesota Water Resources Board to develop teacher training workshops, educational materials, and exhibits demonstrating the connections between land use and ground water contamination in southeastern Minnesota.

(c) Minnesota Wolf Public  
Education

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the International Wolf Center to develop educational curriculum, conduct teacher training workshops, and develop a traveling exhibit on wolves to address the current Minnesota wolf management debate. This appropriation must be matched by at least \$15,500 of nonstate money.

(d) Bear Center

\$20,000 is from the future resources fund to the commissioner of natural resources for a grant to a bear center to develop a business plan, marketing study, facility predesign, and exhibit design.

(e) Accessible Outdoor  
Recreation

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with wilderness inquiry to survey facilities in at least 50 state recreation units for the Minnesota guide to universal access, develop assessments of inclusion in recreation and environmental education activities, and provide opportunities for participation. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(f) Science Outreach and  
Integrated Learning on Soil

\$125,000 the first year and \$125,000 the second year are from the trust fund to the Science Museum of Minnesota to develop a soils experiment center and demonstration plots to increase the awareness of soil science and soil health. This appropriation must be matched by at least \$100,000 of nonstate money. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(g) Teacher Training in  
Interdisciplinary Environmental  
Education

\$30,000 the first year and \$30,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Audubon Center of the North Woods to train K-12 teachers in environmental education techniques.

(h) Development and Rehabilitation  
of Recreational Shooting Ranges

\$350,000 is from the future resources fund to the commissioner of natural resources to provide cost-share grants to local recreational shooting clubs for the purpose of developing or rehabilitating shooting sports facilities for public use. In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources and the commission has approved the grants or allowed 60 days to pass.

(i) Youth Outdoor Environmental  
Education Program

\$125,000 is from the future resources fund to the commissioner of natural resources for an agreement with Dakota county to develop youth-at-risk environmental education programs.

(j) Twin Cities Environmental  
Service Learning - Continuation

\$20,000 the first year and \$20,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Eco Education to provide training and matching grants for student service environmental learning projects. This appropriation must be matched by at least \$40,000 of nonstate money.

(k) Minnesota Whitetail Deer  
Resource Center Exhibits

\$400,000 is from the future resources fund to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to construct exhibits on whitetail deer in Minnesota. This appropriation is available to the extent matched by expenditure of nonstate money on land and a building to display the exhibits.

(l) Sustainability Forums

\$100,000 the first year and \$100,000 the second

year are from the trust fund to the office of environmental assistance for an agreement with the Minnesota Division of the Izaak Walton League of America to conduct forums for the public and local units of government on sustainability and community-based planning objectives.

(m) Minnesota River Watershed Ecology and History Exhibit

\$90,000 the first year is from the future resources fund to the Minnesota Historical Society for an agreement with Joseph R. Brown Heritage Society to design and construct exhibits at the Joseph R. Brown Minnesota River Center.

(n) Hyland Lake Environmental Center

\$100,000 the first year and \$100,000 the second year are from the trust fund to the metropolitan council for an agreement with Suburban Hennepin Regional Park District for predesign and design of an environmental education center in Hyland-Bush-Anderson Lakes Regional Park Reserve.

(o) Aquaculture, Hydroponics, and Greenhouse Research Lab

\$100,000 the first year is from the future resources fund to the commissioner of agriculture for an agreement with Chisago Lakes High School to design and construct a greenhouse, hydroponics, and aquaculture facility to support an outdoor living classroom.

Subd. 12. Benchmarks and Indicators

2,315,000                      1,915,000

Summary by Fund

Future Resources Fund	200,000	-0-
Trust Fund	1,915,000	1,915,000
Great Lakes Protection Account	200,000	-0-

(a) Measuring Children’s Exposures to Environmental Health Hazards

\$250,000 the first year and \$250,000 the second year are from the trust fund to the University of Minnesota in cooperation with the department of health to augment a federal study of exposure of children to multiple environmental hazards, to evaluate comparative health risks, and to design intervention strategies.



(b) Minnesota County Biological  
Survey - Continuation

\$800,000 the first year and \$800,000 the second year are from the trust fund to the commissioner of natural resources for the seventh biennium of a 12-biennia project to accelerate the survey that identifies significant natural areas and systematically collects and interprets data on the distribution and ecology of natural communities, rare plants, and animals.

(c) Environmental Indicators  
Initiative - Continuation

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources for the third and final biennium to complete a set of statewide environmental indicators that will assist public understanding of Minnesota environmental health and the effectiveness of sustainable development efforts.

(d) Dakota County Wetland Health  
Monitoring Program

\$80,000 the first year and \$80,000 the second year are from the trust fund to the commissioner of the pollution control agency for an agreement with Dakota county to evaluate wetland health through citizen volunteers, develop wetland biodiversity projects in urban areas, and conduct public education.

(e) Predicting Water and Forest  
Resources Health and Sustainability

\$150,000 the first year and \$150,000 the second year are from the trust fund to the University of Minnesota, Natural Resources Research Institute, to assess ecosystem health using indicators and to develop models that incorporate landscape composition change.

(f) Potential for Infant Risk  
from Nitrate Contamination

\$200,000 is from the future resources fund to the commissioner of health to study nitrate and bacteria-contaminated drinking water of infants and families at risk.

(g) Assessing Lake Superior Waters  
Off the North Shore

\$100,000 the first year and \$100,000 the second year of this appropriation are from the trust fund, and \$200,000 is from the Great Lakes protection account to the University of Minnesota Duluth

for a pilot program to establish benchmark data for Lake Superior. Expenses may not include capital cost for a research vessel. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(h) Minnesota's Forest Bird  
Diversity Initiative - Continuation

\$175,000 the first year and \$175,000 the second year are from the trust fund to the commissioner of natural resources for the fifth biennium of a six-biennium project to establish benchmarks for using birds as ecological indicators of forest health. This appropriation must be matched by at least \$80,000 of nonstate contributions. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(i) Farm Ponds as Critical  
Habitats for Native Amphibians

\$125,000 the first year and \$125,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Upper Mississippi Science Center to study management practices that sustain healthy populations of amphibians in southeastern Minnesota farm ponds and to recommend monitoring methods suitable for testing amphibian habitat quality. This appropriation must be matched by at least \$200,000 of nonstate contributions. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(j) Improved Minnesota Fungus  
Collection and Database

\$35,000 the first year and \$35,000 the second year are from the trust fund to the University of Minnesota to consolidate and preserve fungus specimen collections and computerize the data for use in agriculture, forestry, and recreation management.

Subd. 13. Critical Lands or Habitats

4,640,000	2,790,000
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Summary by Fund

Future Resources Fund	1,850,000	-0-
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Trust Fund	2,790,000	2,790,000
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(a) Sustainable Woodlands and  
Prairies on Private Lands -  
Continuation

\$225,000 the first year and \$225,000 the second year are from the trust fund to the commissioner of natural resources, in cooperation with the Minnesota Forestry Association and the Nature Conservancy, to develop stewardship plans for private landowners and to implement natural resource projects by providing matching money to private landowners. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) National Prairie Passage; Linking  
Isolated Prairie Preserves

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of transportation to link isolated tallgrass prairie preserves with corridors of prairie. This appropriation must be matched by at least \$600,000 of nonstate money.

(c) Greening the Metro  
Mississippi-Minnesota River  
Valleys

\$400,000 the first year and \$400,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Greening the Great River Park to implement private and public habitat projects in the Mississippi and Minnesota River Valleys. This appropriation must be matched by at least \$374,000 of nonstate money and cost sharing is required for projects on private lands. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Restoring the Greater Prairie  
Chicken to Southwestern Minnesota

\$30,000 the first year and \$30,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Prairie Chicken Society to restore the greater prairie chicken to appropriate habitat.

(e) Prairie Heritage Fund -  
Continuation

\$250,000 the first year and \$250,000 the second

year are from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever, Inc. to acquire and develop land for prairie grasslands and wetlands to be donated to the public. The land must be open and accessible to the public. This appropriation must be matched by at least \$500,000 of money. In addition to the required work program, parcels may not be acquired until parcel lists have been submitted to the legislative commission on Minnesota resources and the commission has approved the parcel list or allowed 60 days to pass.

(f) Public Boat Access and Fishing Piers

\$500,000 the first year and \$500,000 the second year are from the trust fund, and \$310,000 is from the future resources fund to the commissioner of natural resources for increased access to lakes and rivers statewide through the provision of public boat access, fishing piers, and shoreline access, with approximately equal allocations for the Twin Cities metropolitan area and the remainder of the state. These appropriations are available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. \$212,000 of the appropriation from the future resources fund is available immediately upon enactment.

(g) Arboretum Land Acquisition and Wetlands Restoration - Continuation

\$350,000 the first year and \$350,000 the second year are from the trust fund to the University of Minnesota for an agreement with the University of Minnesota Landscape Arboretum Foundation for the third biennium for land acquisition. The priority is to acquire approximately 40 acres of land within the Arboretum boundary before completing the Spring Peeper Meadow wetland restoration. This appropriation must be matched by at least \$700,000 of nonstate money.

(h) Native Prairie Prescribed Burns

\$200,000 the first year and \$200,000 the second year are from the trust fund for a grant to the commissioner of natural resources for an agreement with the Nature Conservancy for prescribed burns of native prairie on state wildlife lands.

(i) Implement the Chisago and

Washington Counties Green  
Corridor Project - Continuation

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with 1000 Friends of Minnesota for land protection activities, including at least \$300,000 for cost-share grants to local governments for fee or less than fee acquisition.

(j) RIM Shoreland Stabilization

\$175,000 the first year and \$175,000 the second year are from the trust fund to the commissioner of natural resources to complete the high priority bank stabilization on Lake Winnibigoshish and, if additional match money becomes available, to begin similar work on Lac Qui Parle Lake. This appropriation must be matched by at least \$56,000 of nonstate money. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(k) Enhancing Canada Goose  
Hunting Opportunities for  
Recreation and Management Purposes

\$340,000 is from the future resources fund to the commissioner of natural resources to work with waterfowl conservation organizations to secure leases for goose forage areas and to increase public goose hunting opportunities.

(l) Nongame Wildlife  
Management

\$235,000 the first year and \$235,000 the second year are appropriated from the trust fund to the commissioner of natural resources for the purpose of nongame wildlife management.

(m) Wildlife Habitat  
Acquisition and Development

\$150,000 the first year and \$150,000 the second year are from the trust fund to the commissioner of natural resources to acquire and protect land and to make improvements of a capital nature for the Chub lake natural area. The appropriation is available until expended and must be matched by federal or local funds totaling \$300,000.

(n) Trout Stream  
Protection

\$1,200,000 is from the future resources fund to the commissioner of natural resources for trout stream protection.

## Subd. 14. Native Species Planting

945,000	595,000
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## Summary by Fund

Future Resources Fund	350,000	-0-
Trust Fund	595,000	595,000

## (a) Minnesota ReLeaf Matching Grant Program - Continuation

\$250,000 the first year and \$250,000 the second year are from the trust fund, and \$350,000 is from the future resources fund to the commissioner of natural resources for the fourth biennium, with at least \$210,000 for matching grants to local communities to protect native oak forests from oak wilt and to provide technical assistance and cost sharing with communities for tree planting and community forestry assessments. \$200,000 of this appropriation the first year is for tree replacement in the cities of St. Peter and Comfrey. The appropriation from the future resources fund is available immediately upon enactment.

## (b) Landscaping for Wildlife and Nonpoint Source Pollution Prevention

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with St. Paul Neighborhood Energy Consortium to work with urban and suburban communities to expand native species planting through residential landscaping and cooperative neighborhood projects. The activities must include participant cost sharing. This appropriation must be matched by at least \$24,000 of nonstate money.

## (c) Lakescaping for Wildlife and Water Quality Initiative

\$70,000 the first year and \$70,000 the second year are from the trust fund to the commissioner of natural resources in cooperation with the Minnesota Lakes Association to promote lakescaping for wildlife and water quality through workshops, demonstration sites, and a registry program for lakeshore owners. The activities must include participant cost sharing.

## (d) Development and Assessment of Oak Wilt Biological Control Technologies - Continuation

\$100,000 the first year and \$100,000 the second year are from the trust fund to the University of

Minnesota to evaluate biocontrol efficacy, spore mat production, and root graft barrier guidelines for oak wilt, in cooperation with the department of agriculture.

(e) Restoring Ecological Health to St. Paul's Mississippi River Bluffs

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Friends of the Parks and Trails of St. Paul and Ramsey County to inventory and restore native species, and to plan for critical greenways and natural area habitat. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 15. Native Fish

229,000 229,000

Summary by Fund

Trust Fund	229,000	229,000
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(a) Mussel Resource Survey

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources for the first biennium of a three-biennium project to survey mussels statewide for resource management.

(b) Freshwater Mussel Resources in the St. Croix River

\$29,000 the first year and \$29,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Macalester College to continue refugia studies and assess populations for freshwater mussels.

Subd. 16. Exotic Species

405,000 145,000

Summary by Fund

Future Resources Fund	260,000	-0-
Trust Fund	145,000	145,000

(a) Biological Control of Eurasian Water Milfoil and Purple Loosestrife - Continuation

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources for the fourth biennium of a five-biennium project to develop and implement

biological controls for Eurasian water milfoil and purple loosestrife. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) Evaluate Establishment, Impact of Leafy Spurge Biocontrol Agents

\$70,000 the first year and \$70,000 the second year are from the trust fund to the commissioner of agriculture to study flea beetles introduced to control leafy spurge by site characterization and assessment for biological control. This appropriation is available until June 30, 2002, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Restoring Native Vegetation in Parks and Nature Centers

\$260,000 the first year is from the future resources fund to the commissioner of natural resources for an agreement with the St. Paul Audubon Society to restore native vegetation at community nature centers and parks.

Subd. 17. Data Availability Requirements

(a) During the biennium ending June 30, 2001, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the office of technology. Spatial data must conform with guidelines and standards described in the geographic data compatibility guidelines available from the land management information center. These data must be made available under the provisions of the Data Practices Act in chapter 13.

(b) For the purposes of information dissemination to the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet. To the extent practicable, spatial data and their documentation must be made available through the Minnesota Geographic Data Clearinghouse.

(c) As part of project expenditures, recipients of land acquisition appropriations must provide the information necessary to update public recreation information maps to the department of natural resources in the specified form.



**Subd. 18. Project Requirements**

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must comply with Minnesota Statutes, chapter 116P.

**Subd. 19. Match Requirements**

Unless specifically authorized, appropriations in this section that must be matched and for which the match has not been committed by December 31, 1999, are canceled, and in-kind contributions may not be counted as match.

**Subd. 20. Payment Conditions and Capital Equipment Expenditures**

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 1999, or the date the work program is approved, whichever is later, are eligible for reimbursement. Payment must be made upon receiving documentation that project-eligible reimbursable amounts have been expended, except that reasonable amounts may be advanced to projects in order to accommodate cash flow needs. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

**Subd. 21. Purchase of Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.123, requiring the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

**Subd. 22. Energy Conservation**

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including Minnesota Statutes, sections 216C.19 to 216C.21, and rules adopted thereunder. The recipient may use the energy planning and intervention and energy technologies units of the commissioner of public service to obtain information and technical

assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Subd. 23. Accessibility

New structures must be shown to meet the design standards in the Americans with Disabilities Act Accessibility Guidelines. Nonstructural facilities such as trails, campgrounds, picnic areas, parking, play areas, water sources, and the access routes to these features should be shown to be designed using guidelines in the Recommendations for Accessibility Guidelines: Recreational Facilities and Outdoor Developed Areas.

Subd. 24. Year 2000 Compatible

A recipient to whom an appropriation is made in this section for computer equipment and software must ensure that the project expenditures comply with year 2000 compatible database and software.

Subd. 25. Carryforward

(a) The availability of the appropriations for the following projects is extended to June 30, 2000: Laws 1997, chapter 216, section 15, subdivision 5, paragraph (a), Ft. Snelling State Park-upper bluff utilization and AYH hostel; paragraph (c), Jeffers petroglyphs environmental assessment and prairie restoration; paragraph (g), Native American perspective of the historic north shore; subdivision 6, paragraph (g), lakeshore restoration - Minneapolis chain of lakes; subdivision 9, paragraph (a), grants to local governments to assist natural resource decision making; paragraph (e), North Minneapolis upper river master plan; paragraph (g), Miller Creek management; and paragraph (h), trout habitat preservation using alternative watershed management practices; subdivision 10, paragraph (g), Fillmore county soil survey update; subdivision 11, paragraph (a), foundations to integrated access to environmental information; subdivision 12, paragraph (a), sustainable development assistance for municipalities through electric utilities; paragraph (h), soy-based diesel fuel study; subdivision 13, paragraph (g), state wolf management: electronically moderating the discussion; subdivision 14, paragraph (f), loons; indicators of mercury in the environment; subdivision 17, paragraph (a), sustainable woodlands on private lands; and paragraph (d)

prairie heritage project; subdivision 20, paragraph (a), ballast water technology demonstration for exotic species control; Laws 1995, chapter 220, section 19, subdivision 12, paragraph (a), restore historic Mississippi river mill site, as amended by Laws 1997, chapter 216, section 15, subdivision 26, paragraph (b).

(b) The availability of the appropriations for the following projects is extended to June 30, 2001: Laws 1997, chapter 216, section 15, subdivision 5, paragraph (f), historical and cultural museum on Vermilion Lake Indian Reservation; subdivision 7, paragraph (f), mercury manometers; subdivision 16, paragraph (b), Arboretum Land Acquisition; Laws 1996, chapter 463, section 22, subdivision 8, Pickwick Mill, as amended by Laws 1997, chapter 246, section 32.

#### Sec. 17. ADDITIONAL APPROPRIATIONS

The following amounts are appropriated in fiscal year 1999 from the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

\$496,000 in fiscal year 1999 is added to the appropriation in Laws 1997, chapter 216, section 15, subdivision 4, paragraph (a), clause (1), for state park and recreation area acquisition.

\$495,000 in fiscal year 1999 is added to the appropriation in Laws 1997, chapter 216, section 15, subdivision 4, paragraph (b), metropolitan regional park system.

#### Sec. 18. TRADE AND ECONOMIC DEVELOPMENT

250,000

-0-

This appropriation is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731, to make a grant to the city of Windom to assist an expanding agricultural processing facility. The amount of the grant is not subject to the limit in Minnesota Statutes, section 116J.8731, subdivision 5. If the grant is used to acquire or improve real property, the grant agreement between the city of Windom and a recipient must provide that, if the grant recipient sells, transfers, or exchanges the real property, any capital gain or other profit on the transaction that accrues to the grant recipient must be paid to the commissioner for credit to the Minnesota investment fund in the same proportion as was paid from the Minnesota investment fund to acquire or improve the real property.

If this appropriation remains unencumbered on March 31, 2000, the amount cancels and is reappropriated to the agricultural utilization research institute and is available in the first or second year.

Sec. 19. Minnesota Statutes 1998, section 14.386, is amended to read:

14.386 [PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.]

(a) A rule adopted, amended, or repealed by an agency, under a statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

(1) the revisor of statutes approves the form of the rule by certificate;

(2) the office of administrative hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files two copies of the rule with the revisor's certificate in the office of the secretary of state; and

(3) a copy is published by the agency in the State Register.

A statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule does not excuse compliance with this section unless it makes specific reference to this section.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to:

(1) any group or rule listed in section 14.03, subdivisions 1 and 3, except as otherwise provided by law;

(2) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459;

(3) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005; ~~or~~

(4) game refuges designated by the commissioner of natural resources under section 97A.085; or

(5) transaction fees established by the commissioner of natural resources for electronic or telephone sales of licenses, stamps, permits, registrations, or transfers under section 84.027, subdivision 15, paragraph (a), clause (3).

(e) If a statute provides that a rule is exempt from chapter 14, and section 14.386 does not apply to the rule, the rule has the force of law unless the context of the statute delegating the rulemaking authority makes clear that the rule does not have force of law.

Sec. 20. Minnesota Statutes 1998, section 16A.531, is amended by adding a subdivision to read:

Subd. 3. [AGRICULTURAL FUND.] There is created in the state treasury an agricultural fund as a special revenue fund for deposit of receipts from agricultural related fees and activities conducted by the state.

Sec. 21. Minnesota Statutes 1998, section 16B.171, as amended by Laws 1999, chapter 86, article 1, section 7, is amended to read:

16B.171 [EXCEPTION FOR FEDERAL TRANSPORTATION CONTRACTS.]

Notwithstanding ~~section 16C.08~~ or other any law to the contrary, the commissioner of transportation, commissioner of the pollution control agency, or commissioner of natural resources may, when required by a federal agency entering into an intergovernmental contract, negotiate contract terms providing for full or partial prepayment to the federal agency before work is performed or services are provided.

Sec. 22. Minnesota Statutes 1998, section 17.03, is amended by adding a subdivision to read:

Subd. 13. [SEMIANNUAL REPORTS.] (a) By October 15 and April 15 of each year, the commissioner shall submit to the legislative committees having jurisdiction over appropriations from the agricultural fund in section 16A.531 a report on the amount of revenue raised in each fee account within the fund, the expenditures from each account, and the purposes for which the expenditures were made.

(b) The report delivered on October 15 of each year must include the commissioner's recommendations, if any, for changes in statutes relating to the fee accounts of the agricultural fund.

Sec. 23. Minnesota Statutes 1998, section 17.038, is amended to read:

17.038 [STATISTICAL SERVICES ACCOUNT.]

The statistical services account is established in the ~~state treasury~~ agricultural fund. All payments for statistical services performed by the agricultural statistics division of the department of agriculture must be deposited in the ~~state treasury~~ agricultural fund and credited to the statistical services account. The money in the account is appropriated to the commissioner of agriculture to administer the programs of the agricultural statistics division.

Sec. 24. Minnesota Statutes 1998, section 17.102, subdivision 4, is amended to read:

Subd. 4. [MINNESOTA GROWN ACCOUNT.] The Minnesota grown account is established as an account in the ~~state treasury~~ agricultural fund. License fee receipts and penalties collected under this section must be deposited in the ~~state treasury~~ agricultural fund and credited to the Minnesota grown account. The money in the account is continuously appropriated to the commissioner to implement and enforce this section and to promote the Minnesota grown logo and labeling.

Sec. 25. Minnesota Statutes 1998, section 17.109, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota grown matching account is established as a separate account in the ~~state treasury~~ agricultural fund. The account shall be administered by the commissioner of agriculture as provided in this section.

Sec. 26. Minnesota Statutes 1998, section 17.115, subdivision 3, is amended to read:

Subd. 3. [AWARDING OF LOANS.] (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a post-secondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

(1) realize savings to the cost of agricultural production and project savings to repay the cost of the loan;

(2) reduce or make more efficient use of energy; and

(3) reduce production costs.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects. Priority must be given based on the amount of savings realized by adopting the practice implemented by the loan.

Sec. 27. Minnesota Statutes 1998, section 17.116, subdivision 3, is amended to read:

Subd. 3. [AWARDING OF GRANTS.] (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a post-secondary educational institution, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, and a chair from the department.

(c) The technical review panel shall rank applications according to the following criteria:

(1) direct or indirect energy savings or production;

(2) environmental benefit;

(3) farm profitability;

(4) the number of farms able to apply the techniques or the technology proposed;

(5) the effectiveness of the project as a demonstration;

(6) the immediate transferability of the project to farms; and

(7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use contribution. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multiyear projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

Sec. 28. Minnesota Statutes 1998, section 17.117, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS.] Up to ~~\$40,000,000~~ \$140,000,000 of the balance in the water pollution control revolving fund in section 446A.07, as determined by the public facilities authority, is appropriated to the commissioner for the establishment of this program.

Sec. 29. Minnesota Statutes 1998, section 17.136, is amended to read:

17.136 [ANIMAL FEEDLOTS; POLLUTION CONTROL; FEEDLOT AND MANURE MANAGEMENT ADVISORY COMMITTEE.]

(a) The commissioner of agriculture and the commissioner of the pollution control agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and

suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

(b) The committee must include representation from beef, dairy, pork, chicken, and turkey producer organizations. The committee shall not exceed 18 21 members, but, after June 30, 1997 1999, must include representatives from at least four environmental organizations, eight livestock producers, and four experts in soil and water science, nutrient management, and animal husbandry, one commercial solid manure applicator who is not a producer, one commercial liquid manure applicator who is not a producer, and one member from an organization representing local units of government, and chairs of the senate and the house of representatives committees that deal with agricultural policy or the designees of the chairs. In addition, the departments of agriculture, health, and natural resources, the pollution control agency, board of water and soil resources, soil and water conservation districts, the federal Natural Resource Conservation Service, the association of Minnesota counties, and the Farm Service Agency shall serve on the committee as ex officio nonvoting members.

(c) The advisory committee shall elect a chair and a vice-chair from its members. The department and the agency shall provide staff support to the committee.

(d) The commissioner of agriculture and the commissioner of the pollution control agency shall consult with the advisory committee during the development of any policies, rules, or funding proposals or recommendations relating to feedlots or feedlot-related manure management.

(e) The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(f) The advisory committee shall advise the commissioners on other appropriate matters.

(g) Nongovernment members of the advisory committee shall receive expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, 2001.

Sec. 30. Minnesota Statutes 1998, section 17.457, subdivision 10, is amended to read:

Subd. 10. [FEE.] The commissioner shall impose a fee for permits in an amount sufficient to cover the costs of issuing the permits and for facility inspections. The fee may not exceed \$50. Fee receipts must be deposited in the state treasury agricultural fund and credited to the special revenue fund Eurasian wild pigs account and are appropriated to the commissioner for the purposes of this section.

Sec. 31. Minnesota Statutes 1998, section 17.59, subdivision 5, is amended to read:

Subd. 5. [COMMODITIES RESEARCH AND PROMOTION ACCOUNT.] All fees collected by the department under sections 17.51 to 17.69 and any other fees and income received by the department in the administration of these statutes shall be deposited in a separate account known as the commodity research and promotion account in the special revenue agricultural fund. Money in the account, including interest, is appropriated to the commissioner to carry out the duties of sections 17.51 to 17.69.

Sec. 32. [17.710] [AGRICULTURAL PRODUCTION CONTRACTS.]

A production contract entered into, renewed, or amended on or after July 1, 1999, between an agricultural producer and a processor of agricultural products must not contain provisions that prohibit the producer from disclosing terms, conditions, and prices contained in the contract. Any provision prohibiting disclosure by the producer is void.

Sec. 33. Minnesota Statutes 1998, section 17.85, is amended to read:

17.85 [LABORATORY SERVICES ACCOUNT.]

A laboratory services account is established in the state treasury agricultural fund. Payments for

laboratory services performed by the laboratory services division of the department of agriculture must be deposited in the state treasury agricultural fund and credited to the laboratory services account. Money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the programs of the laboratory services division.

Sec. 34. Minnesota Statutes 1998, section 17.982, subdivision 1, is amended to read:

Subdivision 1. [CRIMINAL PENALTIES.] A person who violates chapter 29, 31, 31A, 31B, or 34 for which a penalty has not been prescribed is guilty of a misdemeanor.

Sec. 35. Minnesota Statutes 1998, section 17.983, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE PENALTIES; CITATION.] If a person has violated chapter 29, 31, 31A, 31B, 32, or 34, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation shall describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.

Sec. 36. Minnesota Statutes 1998, section 17A.11, is amended to read:

17A.11 [FEES FOR LIVESTOCK WEIGHING.]

The commissioner shall prescribe the fee necessary to cover the cost of state weighing, to be assessed and collected from the seller in the manner the commissioner may prescribe. The fee assessed must be the same, and the manner of collection of the fee must be uniform at all facilities. At any location where state weighing is performed in accordance with this chapter and the total annual fees collected are insufficient to pay the cost of the weighing, the annual deficit shall be assessed and collected in the manner the commissioner may prescribe. Additional money arising from the weighing of animals by the commissioner, which has been collected and retained by any person, shall be paid on demand to the commissioner. All money collected by the commissioner shall be deposited in the state treasury agricultural fund and credited to the livestock weighing fund account. Money in the account is appropriated to the commissioner to carry out the duties of section 17A.10 and for activities and duties required under chapter 31B.

Sec. 37. Minnesota Statutes 1998, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION; APPROPRIATION.] The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered. If the grain is in transit, the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, the fees shall be paid by the warehouse operator, and added to the storage charges.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the state treasury agricultural fund for carrying out the purpose of sections 17B.01 to 17B.23. The money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23. When money from any other account is used to administer sections 17B.01 to 17B.23, the commissioner shall notify the chairs of the agriculture, environment and natural resources finance, and ways and means committees of the house of representatives; the agriculture and rural development and finance committees of the senate; and the finance division of the environment and natural resources committee of the senate.

Sec. 38. Minnesota Statutes 1998, section 18B.05, subdivision 1, is amended to read:



Subdivision 1. [ESTABLISHMENT.] A pesticide regulatory account is established in the state treasury agricultural fund. Fees and penalties collected under this chapter must be deposited in the state treasury agricultural fund and credited to the pesticide regulatory account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of this chapter.

Sec. 39. Minnesota Statutes 1998, section 18B.26, subdivision 5, is amended to read:

Subd. 5. [REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use and distribution restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, state use or distribution restrictions.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified.

(e) The commissioner may exempt pesticides that have been deregulated or classified as minimum risk by the United States Environmental Protection Agency from the requirement of registration.

Sec. 40. Minnesota Statutes 1998, section 18C.131, is amended to read:

18C.131 [FERTILIZER INSPECTION ACCOUNT.]

A fertilizer inspection account is established in the state treasury. The fees collected under this chapter and interest attributable to money in the account must be deposited in the state treasury and credited to the fertilizer inspection account in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for the administration and enforcement of this chapter.

Sec. 41. Minnesota Statutes 1998, section 18E.02, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE PERSON.] "Eligible person" means:

(1) a responsible party or an owner of real property, but does not include the state, a state agency, a political subdivision of the state, except as provided in clause (2), the federal government, or an agency of the federal government;

(2) the owners of municipal airports at ~~Perham, Madison, and Hector~~, in Minnesota where a licensed aerial pesticide applicator has caused an incident through storage, handling, or distribution operations for agricultural chemicals if (i) the commissioner has determined that corrective action is necessary and (ii) the commissioner determines, and the agricultural chemical response compensation board concurs, that based on an affirmative showing made by the owner, a responsible party cannot be identified or the identified responsible party is unable to comply with an order for corrective action; or

(3) a person involved in a transaction relating to real property who is not a responsible party or owner of the real property and who voluntarily takes corrective action on the property in response to a request or order for corrective action from the commissioner, ~~except an owner of a municipal airport not listed in clause (2).~~

Sec. 42. Minnesota Statutes 1998, section 18E.03, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The agricultural chemical response and reimbursement account is established as an account in the state treasury agricultural fund.

Sec. 43. [18E.035] [FINANCIAL SECURITY; MUNICIPAL AIRPORTS.]

As a condition for the use of space or facilities for the storage, handling, or distribution of agricultural chemicals on the grounds of a municipal airport, a licensed aerial pesticide applicator shall hold the owner of the airport harmless for any expenses to cover necessary corrective actions caused by the applicator.

Sec. 44. Minnesota Statutes 1998, section 21.115, is amended to read:

21.115 [FEES; SEED POTATO INSPECTION FUND ACCOUNT.]

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to 21.122, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the state treasury agricultural fund and therein credited to the seed potato inspection fund account of the commissioner, which ~~fund~~ account is hereby created and appropriated for carrying out the purposes of sections 21.111 to 21.122. Interest, if any, received on deposits of these moneys shall be credited to such fund the account, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 45. Minnesota Statutes 1998, section 21.116, is amended to read:

21.116 [EXPENSES.]

All necessary expenses incurred in carrying out the provisions of sections 21.111 to 21.122 and the compensation of officers, inspectors, and employees appointed, designated, or employed by the commissioner, as provided in such sections, together with their necessary traveling expenses, together with the traveling expenses of the members of the advisory seed potato certification committee, and other expenses necessary in attending committee meetings, shall be paid from, and only from, the seed potato inspection fund account, on order of the commissioner and commissioner of finance's voucher warrant.

Sec. 46. Minnesota Statutes 1998, section 21.90, subdivision 3, is amended to read:

Subd. 3. [TESTS OF VARIETIES.] If the commissioner needs to verify that a hybrid seed field corn variety is adapted to the corn growing zone declared by the originator or owner, it must, when grown in several official comparative trials by the director of the Minnesota agricultural experiment station in the declared zone of adaptation, have an average kernel moisture at normal harvest time which does not differ from the average kernel moisture content of three or more selected standard varieties adapted for grain production in that particular growing zone by more than four percentage points. If a new variety when tested has more than six percentage points of moisture over the standard variety, it must have the relative maturity increased by five days in the correct zone of adaptation before it can be sold the second year. If it does not exceed the standard varieties by more than five percentage points of moisture the second year tested, it can be sold the third year with the same relative maturity. If upon being tested the third year the moisture percentage points are found to be over the four percentage points allowed, the variety then must have the relative maturity increased by five days in the correct zone. The varieties to be used as standard varieties for determining adaptability to a zone shall be selected for each zone by the director of the Minnesota agricultural experiment station with the advice and consent of the commissioner of agriculture. Should a person, firm, originator, or owner of a hybrid seed field corn variety wish to offer hybrid seed for sale or distribution in this state, the person, firm, originator, or owner not having distributed any products in Minnesota during the past ten years, or not having any record of testing by an agency acceptable to the commissioner, then after registration of the variety the commissioner is required to have the variety tested for one year by the director of the Minnesota agricultural experiment station before it may be distributed in Minnesota. Should any person, firm, originator, or owner of a seed field corn variety be guilty of two successive violations with respect to the declaration of relative maturity date and zone number, then the violator must commence a program of pretesting for varieties as determined by

the commissioner. The list of varieties to be used as standards in each growing zone shall be sent by the commissioner not later than February 1 of each year to each seed firm registering hybrid varieties with the commissioner as of the previous April 1. To assist in defraying the expenses of the Minnesota agricultural experiment station in carrying out the provisions of this section, there shall be transferred annually from the seed inspection fund account to the agricultural experiment station a sum which shall at least equal 80 percent of the total revenue from all hybrid seed field corn variety registrations.

Sec. 47. Minnesota Statutes 1998, section 21.92, is amended to read:

21.92 [SEED INSPECTION FUND ACCOUNT.]

There is established in the ~~state treasury~~ agricultural fund an account known as the seed inspection fund account. Fees and penalties collected by the commissioner under sections 21.80 to 21.92 and interest attributable to money in the account shall be deposited into this account. The rates at which the fees are charged may be adjusted pursuant to section 16A.1285. Money in the account, including interest earned, is appropriated to the commissioner for the administration and enforcement of sections 21.80 to 21.92.

Sec. 48. Minnesota Statutes 1998, section 25.39, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL FEED INSPECTION ACCOUNT.] A commercial feed inspection account is established in the ~~state treasury~~ agricultural fund. Fees and penalties collected under sections 25.35 to 25.43 and interest attributable to money in the account must be deposited in the ~~state treasury~~ agricultural fund and credited to the commercial feed inspection account. Money in the account, including interest earned, is appropriated to the commissioner for the administration and enforcement of sections 25.341 to 25.43.

Sec. 49. Minnesota Statutes 1998, section 27.07, subdivision 6, is amended to read:

Subd. 6. [COOPERATIVE AGREEMENTS; FEES; ACCOUNT.] The commissioner may collect fees as provided for in cooperative agreements between the commissioner and the United States Department of Agriculture for the inspection of fresh fruits, vegetables, and other products. The fees and interest attributable to money in the account must be deposited in the ~~state treasury~~ agricultural fund and credited to a fruit and vegetables inspection account. Money in the account, including interest earned, is appropriated to the commissioner to administer the cooperative agreements.

Sec. 50. Minnesota Statutes 1998, section 28A.075, is amended to read:

28A.075 [DELEGATION TO LOCAL BOARD OF HEALTH.]

(a) At the request of a local board of health that licensed and inspected grocery and convenience stores on January 1, 1999, the commissioner may must enter into an agreement agreements before January 1, 2001, with a local board boards of health to delegate all or part of to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores. Retail grocery or convenience stores inspected under the state meat inspection program of chapter 31A are exempt from delegation.

(b) A local board of health must adopt an ordinance consistent with the Minnesota Food Code, Minnesota Rules, chapter 4626, for all of its jurisdiction to regulate grocery and convenience stores and the ordinance (Food Code) must not be in conflict with standards set in law or rule.

Sec. 51. [28A.0752] [DELEGATION OF POWERS AND DUTIES.]

Subdivision 1. [AGREEMENTS TO PERFORM DUTIES OF THE COMMISSIONER.] (a) Agreements to delegate licensing and inspection duties pertaining to retail grocery or convenience stores shall include licensing, inspection, reporting and enforcement duties authorized under sections 17.04, 28A.13, 29.21, 29.23, 29.235, 29.236, 29.237, 29.24, 29.25, 29.26, 29.27, 29.28, 30.003, 30.01, 30.099, 30.103, 30.104, 30.15, 30.19, 30.49, 30.50, 30.55, 30.56, 30.57, 30.58, and

30.59, appropriate sections of the Minnesota Food Law, chapter 31, and applicable Minnesota food rules.

(b) Agreements are subject to subdivision 3.

(c) This subdivision does not affect agreements entered into under section 28A.075 or current cooperative agreements which base inspections and licensing responsibility on the firm's most predominant mode of business.

Subd. 2. [AGREEMENTS TO PERFORM DUTIES OF THE COMMISSIONER.] An agreement to delegate licensing and inspection of retail food handlers that are grocery or convenience stores to a local board of health must be approved by the commissioner and is subject to subdivision 3.

Subd. 3. [TERMS OF AGREEMENTS.] (a) Agreements authorized under this section must be in writing and signed by the delegating authority and the designated agent.

(b) The agreement must list criteria the delegating authority will use to determine if the designated agent's performance meets appropriate standards and is sufficient to replace performance by the delegating authority.

(c) The agreement may specify minimum staff requirements and qualifications, set procedures for the assessment of costs, and provide for termination procedures if the delegating authority determines that the designated agent has failed to comply with the agreement.

(d) The delegating authority and the designated agent are required to perform inspections utilizing the Minnesota Food Code's minimum and maximum standards.

(e) A designated agent must not perform licensing, inspection, or enforcement duties under the agreement in territory outside its jurisdiction unless approved by the commissioner and governing body for that territory through a separate agreement.

(f) The scope of agreements established under this section is limited to duties and responsibilities agreed upon by the parties. The agreement may provide for automatic renewal and for notice of intent to terminate by either party.

(g) During the life of the agreement, the delegating authority shall not perform duties that the designated agent is required to perform under the agreement, except inspections necessary to determine compliance with the agreement and this section or as agreed to by the parties.

(h) The delegating authority shall consult with, advise, and assist a designated agent in the performance of its duties under the agreement.

(i) This section does not alter the responsibility of the delegating authority for the performance of duties specified by law and rule.

Sec. 52. Minnesota Statutes 1998, section 28A.08, subdivision 3, as amended by Laws 1999, chapter 59, section 2, is amended to read:

Subd. 3. [FEES EFFECTIVE JULY 1, 1999.]

Type of food handler	License Fee <u>Effective July 1, 1999</u>	Penalties	
		Late Renewal	No License
1. Retail food handler (a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for			

the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 45 <u>\$ 48</u>	\$ 15 <u>\$ 16</u>	\$ 25 <u>\$ 27</u>
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$ 61 <u>\$ 65</u>	\$ 15 <u>\$ 16</u>	\$ 25 <u>\$ 27</u>
(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$118 <u>\$126</u>	\$ 35 <u>\$ 37</u>	\$ 75 <u>\$ 80</u>
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$202 <u>\$216</u>	\$ 50 <u>\$ 54</u>	\$100 <u>\$107</u>
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$562 <u>\$601</u>	\$100 <u>\$107</u>	\$175 <u>\$187</u>
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$787 <u>\$842</u>	\$150 <u>\$161</u>	\$300 <u>\$321</u>
(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$899 <u>\$962</u>	\$200 <u>\$214</u>	\$350 <u>\$375</u>
2. Wholesale food handler			
(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 50 <u>\$ 54</u>	\$ 15 <u>\$ 16</u>	\$ 15 <u>\$ 16</u>
(b) Having \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$225 <u>\$241</u>	\$ 50 <u>\$ 54</u>	\$100 <u>\$107</u>
(c) Having \$250,000 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$337 <u>\$361</u>	\$ 75 <u>\$ 80</u>	\$150 <u>\$161</u>
(d) Having \$250,000 to \$1,000,000 gross sales or			

	service not covered under paragraph (c) for the immediately previous license or fiscal year	\$449 <u>\$480</u>	\$100 <u>\$107</u>	\$200 <u>\$214</u>
	(e) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$562 <u>\$601</u>	\$125 <u>\$134</u>	\$250 <u>\$268</u>
	(f) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$647 <u>\$692</u>	\$150 <u>\$161</u>	\$300 <u>\$321</u>
3.	Food broker	<u>\$112</u> <u>\$120</u>	<u>\$ 30</u> <u>\$ 32</u>	<u>\$ 50</u> <u>\$ 54</u>
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$125,000 for the immediately previous license or fiscal year	\$150 <u>\$161</u>	\$ 50 <u>\$ 54</u>	\$100 <u>\$107</u>
	(b) Having \$125,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$310 <u>\$332</u>	\$ 75 <u>\$ 80</u>	\$150 <u>\$161</u>
	(c) Having \$250,001 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$449 <u>\$480</u>	\$100 <u>\$107</u>	\$200 <u>\$214</u>
	(d) Having \$1,000,001 to 5,000,000 gross sales for the immediately previous license or fiscal year	\$562 <u>\$601</u>	\$125 <u>\$134</u>	\$250 <u>\$268</u>
	(e) Having \$5,000,001 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$647 <u>\$692</u>	\$150 <u>\$161</u>	\$300 <u>\$321</u>
	(f) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$900 <u>\$963</u>	\$200 <u>\$214</u>	\$350 <u>\$375</u>
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	(a) Having gross sales of less than \$125,000 for the immediately previous license or fiscal year	\$100 <u>\$107</u>	\$ 25 <u>\$ 27</u>	\$ 50 <u>\$ 54</u>
	(b) Having \$125,000 to			

	\$250,000 gross sales for the immediately previous license or fiscal year	\$169 <u>\$181</u>	\$ 50 <u>\$ 54</u>	\$75 <u>\$ 80</u>
	(c) Having \$250,001 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$253 <u>\$271</u>	\$75 <u>\$ 80</u>	\$125 <u>\$134</u>
	(d) Having \$1,000,001 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$310 <u>\$332</u>	\$75 <u>\$ 80</u>	\$150 <u>\$161</u>
	(e) Having \$5,000,001 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$366 <u>\$392</u>	\$100 <u>\$107</u>	\$175 <u>\$187</u>
	(f) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$500 <u>\$535</u>	\$150 <u>\$161</u>	\$250 <u>\$268</u>
6.	Wholesale food processor or manufacturer operating only at the state fair	\$125	\$ 40	\$ 50
7.	Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
8.	Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
9.	Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$ 30	\$ 10	\$ 15
10.	A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25

Sec. 53. [28A.081] [CERTIFICATE FEES.]

A fee of \$75 for each certificate shall be charged to all food establishments that request certificates issued by the Minnesota department of agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota. Certificates include, but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation, sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity, and origin, certificate of health, sanitation, purity, and free sale, and letter of plant certification.

The commissioner shall bill a food establishment within seven days after issuing a certificate to the establishment. The operator of the food establishment must submit payment for a certificate within ten days of the billing date. If a certificate fee payment is not received within 15 days of the

billing date, the commissioner may not issue any future certificates until previous fees due are paid in full.

Sec. 54. Minnesota Statutes 1998, section 29.22, subdivision 5, is amended to read:

Subd. 5. [DISPOSITION OF FEES.] All fees collected and all fines paid for a violation of sections 29.21 to 29.28 or rules promulgated under those sections, as well as all license fees and penalties must be deposited in the ~~state treasury agricultural fund~~, and credited to a separate account to be known as the ~~egg law inspection fund~~ account, which is hereby created, set aside, and appropriated as a revolving ~~fund~~ account to be used by the department to help defray the expense of inspection, supervision, and enforcement of sections 29.21 to 29.28 and is in addition to and not in substitution for the sums regularly appropriated or otherwise made available for this purpose to the department.

Sec. 55. Minnesota Statutes 1998, section 31.101, subdivision 10, is amended to read:

Subd. 10. [MEAT AND POULTRY RULES.] Federal regulations in effect on ~~April 1, 1997~~ January 1, 1999, as provided by Code of Federal Regulations, title 9, ~~parts part 301 to 362 and 381 to 391~~, with the exception of ~~Subpart C Exemptions, sections 381.10 to 381.15 et seq.~~, are incorporated as part of the meat and poultry rules in this state. The rules may be amended by the commissioner under chapter 14.

Sec. 56. Minnesota Statutes 1998, section 31.94, is amended to read:

31.94 [COMMISSIONER DUTIES.]

(a) The commissioner shall enforce sections 31.92 to 31.95. The commissioner shall withhold from sale or trade any product sold, labeled, or advertised in violation of sections 31.92 to 31.95.

(b) The commissioner shall investigate the offering for sale, labeling, or advertising of an article or substance as organically grown, organically processed, or produced in an organic environment if there is reason to believe that action is in violation of sections 31.92 to 31.95.

(c) The commissioner may adopt rules that further clarify organic food standards and marketing practices.

(d) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies of how state or federal programs could utilize and support organic agriculture practices; and

(5) work closely with farmers, the University of Minnesota, the Minnesota trade office, and other appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to organic agriculture.

(e) By November 15 of each even-numbered year the commissioner, in conjunction with the task force created in section 31.95, subdivision 3a, shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include:

(1) a description of current state or federal programs directed toward organic agriculture, including significant results and experiences of those programs;



(2) a description of specific actions the department of agriculture is taking in the area of organic agriculture, including the proportion of the department's budget spent on organic agriculture;

(3) a description of current and future research needs at all levels in the area of organic agriculture; and

(4) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect organic agriculture.

Sec. 57. Minnesota Statutes 1998, section 31.95, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION ORGANIZATIONS.] (a) A Minnesota grown organic product that is labeled "certified" must be certified by a designated certification organization.

(b) A certified organic product sold in this state must be certified by a designated certification organization or by a certification organization approved by the commissioner. Before approving a certification organization, the commissioner must seek the evaluation and recommendation of the Minnesota organic advisory task force.

~~(c) The commissioner shall appoint a Minnesota organic advisory task force composed of members of the organic industry to advise the commissioner on organic issues. Members of the task force may not be paid compensation or costs for expenses to advise the commissioner on policies and practices to improve organic agriculture in Minnesota. The task force shall consist of the following residents of the state:~~

(1) three farmers using organic agriculture methods;

(2) one organic food retailer or distributor;

(3) one representative of organic food certification agencies;

(4) one organic food processor;

(5) one representative from the Minnesota extension service;

(6) one representative from an environmental nonprofit organization;

(7) two at-large members; and

(8) one representative from the agricultural utilization research institute. Terms, compensation, and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, 2001 2003.

Sec. 58. Minnesota Statutes 1998, section 31A.01, is amended to read:

31A.01 [POLICY.]

Meat, poultry, and meat food products are an important source of the nation's total supply of food. It is essential in the public interest that the health and welfare of consumers be protected by assuring that meat, poultry, and meat food products distributed to them are wholesome, unadulterated, and properly marked, labeled, and packaged. Unwholesome, adulterated, or misbranded meat, poultry, or meat food products injure the public welfare, destroy markets for wholesome, unadulterated, and properly labeled and packaged meat, poultry, and meat food products, and result in losses to livestock producers and processors of meat, poultry, and meat food products and injury to consumers. Unwholesome, adulterated, mislabeled, or deceptively packaged articles can be sold at lower prices and compete unfairly with wholesome, unadulterated, and properly labeled and packaged articles, to the detriment of consumers and the general public.

Regulation by the commissioner and cooperation between this state and the United States under this chapter are appropriate to protect the health and welfare of consumers and accomplish the purposes of this chapter.

Sec. 59. Minnesota Statutes 1998, section 31A.02, subdivision 4, is amended to read:

Subd. 4. [ANIMALS.] "Animals" means cattle, swine, sheep, goats, poultry, farmed cervidae, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3, horses, equines, and other large domesticated animals, ~~not including poultry~~.

Sec. 60. Minnesota Statutes 1998, section 31A.02, is amended by adding a subdivision to read:

Subd. 17a. [FEDERAL POULTRY INSPECTION ACT.] "Federal Poultry Inspection Act" means the Federal Poultry Products Inspection Act, as amended.

Sec. 61. Minnesota Statutes 1998, section 31A.02, is amended by adding a subdivision to read:

Subd. 24. [POULTRY.] "Poultry" means any domesticated bird, including, but not limited to, chickens, turkeys, ducks, geese, or guineas.

Sec. 62. Minnesota Statutes 1998, section 31A.15, subdivision 1, is amended to read:

Subdivision 1. [INSPECTION.] The provisions of sections 31A.01 to 31A.16 requiring inspection of the slaughter of animals and the preparation of the carcasses, parts of carcasses, meat, poultry, and meat food products at establishments conducting slaughter and preparation do not apply:

(1) to the processing by a person of the person's own animals and the owner's preparation and transportation in intrastate commerce of the carcasses, parts of carcasses, meat, poultry, and meat food products of those animals exclusively for use by the owner and members of the owner's household, nonpaying guests, and employees; or

(2) to the custom processing by a person of cattle, sheep, swine, poultry, or goats delivered by the owner for processing, and the preparation or transportation in intrastate commerce of the carcasses, parts of carcasses, meat, poultry, and meat food products of animals, exclusively for use in the household of the owner by the owner and members of the owner's household, nonpaying guests, and employees. Meat from custom processing of cattle, sheep, swine, poultry, or goats must be identified and handled as required by the commissioner, during all phases of processing, chilling, cooling, freezing, preparation, storage, and transportation. The custom processor may not engage in the business of buying or selling carcasses, parts of carcasses, meat, poultry, or meat food products of animals usable as human food unless the carcasses, parts of carcasses, meat, poultry, or meat food products have been inspected and passed and are identified as inspected and passed by the Minnesota department of agriculture or the United States Department of Agriculture.

Sec. 63. Minnesota Statutes 1998, section 31A.21, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] The Minnesota department of agriculture is the state agency responsible for cooperating with the United States Secretary of Agriculture under section 301 of the Federal Meat Inspection Act and of the Poultry Products Inspection Act to develop and administer the state meat inspection program under this chapter so that its requirements at least equal those imposed under titles I and IV of the Federal Meat Inspection Act and of the Poultry Products Inspection Act to develop and administer the state program under sections 31A.17 to 31A.20 to carry out the purposes of this chapter and the federal act.

Sec. 64. Minnesota Statutes 1998, section 31A.21, subdivision 3, is amended to read:

Subd. 3. [ADVICE; CONSULTATION.] The Minnesota department of agriculture may recommend to the United States Secretary of Agriculture officials or employees of this state for appointment to the advisory committees provided for in section 301 of the Federal Meat Inspection Act and of the Poultry Products Inspection Act. The Minnesota department of agriculture shall serve as the representative of the governor for consultation with the secretary under paragraph (c) of section 301 of the Federal Meat Inspection Act and of the Poultry Products Inspection Act unless the governor selects another representative.

Sec. 65. Minnesota Statutes 1998, section 31A.31, is amended to read:

31A.31 [CITATION.]

This chapter may be cited as the Minnesota Meat and Poultry Inspection Act.

Sec. 66. [31B.07] [PRICE AND CONTRACT REPORTS.]

Subdivision 1. [DAILY PRICE REPORTS.] (a) At the close of each business day on which a packer purchased or received on contract livestock for slaughter, the packer must report to the United States Department of Agriculture, Agricultural Marketing Service, and the commissioner of agriculture all prices paid for livestock under contract and through cash market sales during that business day, including:

(1) the amount of the base price and a description of the formula used to establish that base price;

(2) a description of the types and amount of any premiums or discounts including but not limited to quality characteristics, grade and yield, volume, early delivery, percent lean, and transportation or acquisition cost savings to the packer; and

(3) the basis on which payment was made including live-weight, carcass weight, or value in the meat.

(b) The commissioner shall make information reported by packers available to the public, through an electronic medium, on the day succeeding the day covered by the packer's report. The disclosure of information reported by the commissioner may be made only in a form that ensures that:

(1) the identity of the parties involved in any transaction described in a report is not disclosed;

(2) the identity of the packer submitting a report is not disclosed; and

(3) the confidentiality of proprietary business information is otherwise protected.

Subd. 2. [QUARTERLY REPORTS; COMMISSIONER PUBLICATION OF TERMS AND PRICE.] (a) A packer that acquires livestock for slaughter under contract with one or more producers shall, within ten business days after the close of each calendar quarter, provide a report to the commissioner. The report must include copies of each type of marketing agreement, contract, and joint venture agreement used by the packer to procure slaughter livestock from producers during the previous calendar quarter.

(b) Not later than 15 business days after packers have provided reports required under paragraph (a), the commissioner shall release to the agricultural press and other interested parties a summary report of the contract terms and prices offered by packers to producers during the previous calendar quarter.

Subd. 3. [EXPIRATION.] The reporting provisions of this section expire 30 days after a department or agency of the federal government has a price reporting requirement at least as comprehensive as this section.

Sec. 67. Minnesota Statutes 1998, section 32.21, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] (a) A person, other than a milk producer, who violates this section is guilty of a misdemeanor or subject to a civil penalty up to \$1,000.

(b) A milk producer may not change milk plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner under paragraph (c) or (d) that the milk producer has violated this section.

(c) A milk producer who violates subdivision 3, clause (1), (2), (3), (4), or (5), is subject to clauses (1) to (3) of this paragraph.

(1) Upon notification of the first violation in a 12-month period, the producer must meet with the dairy plant field service representative to initiate corrective action within 30 days.

(2) Upon the second violation within a 12-month period, the producer is subject to a civil penalty of \$300. The commissioner shall notify the producer by certified mail stating the penalty is payable in 30 days, the consequences of failure to pay the penalty, and the consequences of future violations.

(3) Upon the third violation within a 12-month period, the producer is subject to an additional civil penalty of \$300 and possible revocation of the producer's permit or certification. The commissioner shall notify the producer by certified mail that all civil penalties owed must be paid within 30 days and that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for at least 30 days.

(d) The producer's shipment of milk must be immediately suspended if the producer is identified as an individual source of milk containing residues causing a bulk load of milk to test positive in violation of subdivision 3, clause (6) or (7). ~~Shipment may resume~~ The Grade A or manufacturing grade permit must be converted to temporary status for not more than 30 days and shipment may resume only after subsequent milk has been sampled by the commissioner or the commissioner's agent and found to contain no residues above established tolerances or safe levels.

The Grade A or manufacturing grade permit may be restored if the producer remains eligible only for manufacturing grade until the producer completes the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the signed certificate in the milkhouse, and sends verification to the commissioner within the 30-day temporary permit status period. If the producer does not comply within the temporary permit status period, the Grade A or manufacturing grade permit must be suspended. A milk producer whose milk supply is in violation of subdivision 3, clause (6) or (7), and has caused a bulk load to test positive is subject to clauses (1) to (3) of this paragraph.

(1) For the first violation in a 12-month period, a dairy plant may collect from the responsible producer the value of the contaminated truck load of milk. If the amount collected by the plant is less than two days of milk production on that farm, then the commissioner must assess the difference as a civil penalty payable by the plant or marketing organization on behalf of the responsible producer.

(2) For the second violation in a 12-month period, a dairy plant may collect from the responsible producer the value of the contaminated truck load of milk. If the amount collected by the plant is less than four days of milk production on that farm, then the commissioner must assess the difference as a civil penalty payable by the plant or marketing organization on behalf of the responsible producer.

(3) For the third violation in a 12-month period, a dairy plant may collect from the responsible producer the value of the contaminated load of milk. If the amount collected by the plant is less than four days of milk production on that farm, then the commissioner must assess the difference as a civil penalty payable by the plant or marketing organization on behalf of the responsible producer. The commissioner shall also notify the producer by certified mail that the commissioner is initiating administrative procedures to revoke the producer's right to sell milk for a minimum of 30 days.

(4) If a bulk load of milk tests negative for residues and there is a positive producer sample on the load, no civil penalties may be assessed to the producer. The plant must report the positive result within 24 hours and reject further milk shipments from that producer until the producer's milk tests negative. The department shall suspend the producer's permit and count the violation on the producer's record. The producer remains eligible only for manufacturing grade until Grade A or manufacturing grade permit must be converted to temporary status for not more than 30 days during which time the producer reviews must review the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, display the signed certificate in the milkhouse, and send verification to the commissioner. To maintain a permit or certification to market milk, this program must be reviewed within 30 days. If these conditions are met, the Grade A or

manufacturing grade permit must be reinstated. If the producer does not comply within the temporary permit status period, the Grade A or manufacturing grade permit must be suspended.

(e) A milk producer that has been certified as completing the "Milk and Dairy Beef Residue Prevention Protocol" within 12 months of the first violation of subdivision 3, clause (7), need only review the cause of the violation with a field service representative within three days to maintain Grade A or manufacturing grade permit and shipping status if all other requirements of this section are met.

(f) Civil penalties collected under this section must be deposited in the milk inspection services account established in this chapter.

Sec. 68. Minnesota Statutes 1998, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] Fees are payable by a processor or marketing organization by July 1 of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid within 30 days of the due date, the service must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label must be withdrawn. A processor may terminate payment and service without loss of the Grade A label if written notice of that intention is given prior to the due date of the payment of an assessment and if the continuous inspection of the plant is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section must be deposited in the state treasury agricultural fund and constitute a separate account to be known as the dairy services account, which is hereby created. Money in the account, including interest earned, is appropriated to the commissioner to administer this chapter.

Sec. 69. Minnesota Statutes 1998, section 35.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS; OFFICERS.] The board has five members appointed by the governor with the advice and consent of the senate, three of whom are producers of livestock in the state, and two of whom are practicing veterinarians licensed in Minnesota. The dean of the college of veterinary medicine of the University of Minnesota may serve as consultant to the board without vote. Appointments to fill unexpired terms must be made from the classes to which the retiring members belong. The board shall elect a president and a vice-president from among its members and a veterinarian licensed in Minnesota who is not a member to be its executive secretary director for a term of one year and until a successor qualifies. The board shall set the duties of the secretary director.

Sec. 70. Minnesota Statutes 1998, section 35.04, is amended to read:

#### 35.04 [DUTY OF BOARDS OF HEALTH.]

Boards of health as defined in section 145A.02, subdivision 2, shall assist the board in the prevention, suppression, control, and eradication of contagious and infectious dangerous diseases among domestic animals when directed to do so by the secretary director or any member of the board. Two or more local boards may be required in emergencies to cooperate in giving assistance. The rules of the state board prevail over conflicting local board rules.

Sec. 71. Minnesota Statutes 1998, section 35.05, is amended to read:

#### 35.05 [AUTHORITY OF STATE BOARD.]

(a) The state board may quarantine or kill any domestic animal infected with, or which has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect the health of the domestic animals of the state.

(b) The board may regulate or prohibit the arrival in and departure from the state of infected or exposed animals and, in case of violation of any rule or prohibition, may detain any animal at its owner's expense. The board may regulate or prohibit the importation of domestic animals which, in its opinion, may injure the health of Minnesota livestock.

(c) The board may implement the United States, Voluntary Johne's Disease Herd Status Program for cattle.

(d) Rules adopted by the board under authority of this chapter must be published in the State Register.

Sec. 72. Minnesota Statutes 1998, section 35.08, is amended to read:

35.08 [KILLING OF DISEASED ANIMALS.]

If the board decides upon the killing of an animal affected with tuberculosis, paratuberculosis, or brucellosis, it shall notify the animal's owner or keeper of the decision. If the board, through its executive secretary director, orders that an animal may be transported for immediate slaughter to any abattoir where the meat inspection division of the United States Department of Agriculture maintains inspection, or where the animal and plant health inspection service of the United States Department of Agriculture or the board establishes field postmortem inspection, the owner must receive the value of the net salvage of the carcass.

Before the animal is removed from the premises of the owner, the representative or authorized agent of the board must agree with the owner in writing as to the value of the animal. In the absence of an agreement, three competent, disinterested persons, one appointed by the board, one by the owner, and a third by the first two, shall appraise the animal at its full replacement cost taking into consideration the purpose and use of the animal.

The appraisal made under this section must be in writing, signed by the appraisers, and certified by the board to the commissioner of finance, who shall draw a warrant on the state treasurer for the amount due the owner.

Sec. 73. Minnesota Statutes 1998, section 35.09, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] The owner of an animal is entitled to the indemnity provided in subdivision 1, except in the following cases:

- (1) steers;
- (2) animals which have not been kept in good faith for one year or since their birth in the state;
- (3) animals brought into the state, contrary to law or rules of the board;
- (4) animals diseased on arrival in the state;
- (5) animals belonging to the United States;
- (6) animals belonging to institutions maintained by the state, a county, or a municipality;
- (7) animals which the owner or claimant knew or should have known were diseased at the time they were acquired;
- (8) animals exposed to brucellosis through the owner's negligence;
- (9) animals which have been injected with brucellosis vaccine, bacterin, or other preparations made from or through the agency of Brucella Microorganisms unless it was done in compliance with the rules of the board;
- (10) animals belonging to a person who has received indemnity as a result of a former inspection or tests and has then introduced into the same herd any animals which have not passed the tuberculin or brucellosis test;

(11) animals if the owner, agent, or person in possession of them has not complied with the rules of the board with respect to condemned animals;

(12) condemned animals which are not destroyed within 15 days after the date of appraisal, or for which the owner refuses to sign the appraisal or report of the members of the appraisal board, except that in extraordinary circumstances and in meritorious cases and at the discretion of the executive secretary director of the board the time limit of 15 days may be extended an additional 15 days if the owner receives permission from the executive secretary director within 15 days of the date of appraisal;

(13) livestock affected with tuberculosis, paratuberculosis, or brucellosis unless the entire herd of which the affected livestock is a part, or from which the affected livestock has originated, is examined and tested under the supervision of the board, in order to determine if they are free from the disease;

(14) livestock affected with tuberculosis, paratuberculosis, or brucellosis unless the owner has carried out the instructions of the board relating to cleaning, disinfection, and rendering the stables and premises in a sanitary condition within 15 days of the time of removal of the animals from the premises, except when, because of inclement weather or other extenuating circumstances, the time is extended by the executive secretary director of the board;

(15) livestock affected with tuberculosis, paratuberculosis, or brucellosis, if the owner has fed milk or milk products derived from creameries which was not pasteurized as required by state laws; and

(16) animals owned by a nonresident if neither the owner nor the owner's agent breed livestock in Minnesota.

If, at any time, the annual appropriation for payment of indemnities becomes exhausted as a result of condemnation and slaughter of animals, the board shall discontinue making further official tests or authorizing tests unless an owner signs a waiver on blanks furnished by the board of payment of indemnity for any animals that may be condemned as the result of a test and inspection which releases the state from any obligation to pay indemnity from any future appropriation.

Sec. 74. Minnesota Statutes 1998, section 35.09, subdivision 2a, is amended to read:

Subd. 2a. [NONREACTORS; CATTLE INELIGIBLE FOR TEST.] The board may condemn and appraise nonreactors to the brucellosis test and exposed cattle not eligible to be tested from herds affected with brucellosis and may pay the owner the difference between the appraisal value and the salvage value up to \$300 for grade animals or \$600 for purebred registered animals if the board through its executive secretary director has determined according to criteria adopted by the board that herd depopulation is essential to the goal of bovine brucellosis eradication. Indemnity payable by the state must be reduced by the amount paid by the United States Department of Agriculture. No indemnity may be paid for steers.

Sec. 75. Minnesota Statutes 1998, section 35.67, is amended to read:

35.67 [RABIES INVESTIGATION.]

If the executive secretary director of the board of animal health, or a board of health as defined in section 145A.02, subdivision 2, receives a written complaint that rabies exists in a town or city in the board's jurisdiction, the board of health shall investigate, either personally or through subordinate officers, the truth of the complaint. A board of health may also make an investigation and determination independently, without having received a complaint. The fact that a board of health has investigated and determined that rabies does not exist in a jurisdiction does not deprive the executive secretary director of the board of animal health of jurisdiction or authority to make an investigation and determination with reference to the territory. For the purposes of sections 35.67 to 35.69, the jurisdiction of the executive secretary director of the board of animal health is the entire state.

Sec. 76. Minnesota Statutes 1998, section 35.68, is amended to read:

35.68 [RABIES PROCLAMATION.]

If a board of health as defined in section 145A.02, subdivision 2, investigates and finds that rabies does exist in a town or city the board of health shall make and file a proclamation of the investigation and determination which prohibits the owner or custodian of any dog from allowing the dog to be at large within the town or city unless the dog is effectively muzzled so that it cannot bite any other animal or person.

If the executive secretary director of the board of animal health, after investigation, has determined that rabies exists in any territory in the state, similar proclamations must be issued in all towns and cities within the territory or area in which it is necessary to control the outbreak and prevent the spread of the disease. The proclamation must prohibit the owner or custodian of any dog within the designated territory from permitting or allowing the dog to be at large within the territory unless the dog is effectively muzzled so that it cannot bite any other animal or person.

All local peace officers and boards of health shall enforce sections 35.67 to 35.69.

A proclamation issued by the board of health must be filed with the clerk of the political subdivision responsible for the board of health. One issued by the executive secretary director of the board of animal health must be filed with the clerk of each town and city within the territory it covers.

Each officer with whom the proclamation is filed shall publish a copy of it in one issue of a legal newspaper published in the clerk's town or city if one is published there. If no newspaper is published there, the clerk must post a copy of the proclamation in three public places. Publication is at the expense of the municipality.

Proof of publication must be by affidavit of the publisher and proof of posting must be by the person doing the posting. The affidavit must be filed with the proclamation. The proclamation is effective five days after the publication or posting and remains effective for the period of time not exceeding six months specified in it by the board of health making the proclamation.

Sec. 77. Minnesota Statutes 1998, section 35.82, subdivision 1b, is amended to read:

Subd. 1b. [CARCASSES FOR PET OR MINK FOOD.] (a) The board, through its executive secretary director, may issue a permit to the owner or operator of a pet food processing establishment, a mink rancher, or a supplier of an establishment, located within the boundaries of Minnesota, to transport the carcasses of domestic animals that have died or have been killed, other than by being slaughtered for human or animal consumption, over the public highways to the establishment for pet food or mink food purposes only. The owners and operators of pet food processing establishments or their suppliers and mink ranch operators located in any adjacent state with which a reciprocal agreement is in effect under subdivision 3 are not required to possess a permit issued under this subdivision. The permit is valid for one year following the date of issue unless it is revoked.

(b) The owner or operator of a pet food processing plant or mink ranch shall employ an official veterinarian. A veterinarian named in the permit application who is accepted by the board to act as the official veterinarian is authorized to act as its representative.

(c) Carcasses collected by owners or operators under permit may be used for pet food or mink food purposes if the official veterinarian examines them and finds them suitable for pet food or mink food purposes.

(d) Carcasses not passed by the official veterinarian for pet food or mink food purposes must be disposed of by a rendering plant operating under permit from the board.

(e) The board must require pet food processing establishments, owners and operators of mink ranches, and suppliers of these establishments to conform to rules of the board applicable to rendering plants within the state.



Sec. 78. Minnesota Statutes 1998, section 35.82, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF CARCASSES.] (a) Except as provided in subdivision 1b and paragraph (d), every person owning or controlling any domestic animal that has died or been killed otherwise than by being slaughtered for human or animal consumption, shall as soon as reasonably possible bury the carcass at a depth adequate to prevent scavenging by other animals in the ground or thoroughly burn it or dispose of it by another method approved by the board as being effective for the protection of public health and the control of livestock diseases. The board, through its executive ~~secretary~~ director, may issue permits to owners of rendering plants located in Minnesota which are operated and conducted as required by law, to transport carcasses of domestic animals and fowl that have died, or have been killed otherwise than by being slaughtered for human or animal consumption, over the public highways to their plants for rendering purposes in accordance with the rules adopted by the board relative to transportation, rendering, and other provisions the board considers necessary to prevent the spread of disease. The board may issue permits to owners of rendering plants located in an adjacent state with which a reciprocal agreement is in effect under subdivision 3.

(b) Carcasses collected by rendering plants under permit may be used for pet food or mink food if the owner or operator meets the requirements of subdivision 1b.

(c) An authorized employee or agent of the board may enter private or public property and inspect the carcass of any domestic animal that has died or has been killed other than by being slaughtered for human or animal consumption. Failure to dispose of the carcass of any domestic animal within the period specified by this subdivision is a public nuisance. The board may petition the district court of the county in which a carcass is located for a writ requiring the abatement of the public nuisance. A civil action commenced under this paragraph does not preclude a criminal prosecution under this section. No person may sell, offer to sell, give away, or convey along a public road or on land the person does not own, the carcass of a domestic animal when the animal died or was killed other than by being slaughtered for human or animal consumption unless it is done with a special permit pursuant to this section. The carcass or parts of a domestic animal that has died or has been killed other than by being slaughtered for human or animal consumption may be transported along a public road for a medical or scientific purpose if the carcass is enclosed in a leakproof container to prevent spillage or the dripping of liquid waste. The board may adopt rules relative to the transportation of the carcass of any domestic animal for a medical or scientific purpose. A carcass on a public thoroughfare may be transported for burial or other disposition in accordance with this section.

No person who owns or controls diseased animals shall negligently or willfully permit them to escape from that control or to run at large.

(d) A sheep producer may compost sheep carcasses owned by the producer on the producer's land without a permit and is exempt from compost facility specifications contained in rules of the board.

(e) The board shall develop best management practices for dead animal disposal and the pollution control agency feedlot program shall distribute them to livestock producers in the state.

Sec. 79. Minnesota Statutes 1998, section 35.82, subdivision 3, is amended to read:

Subd. 3. [RECIPROCITY.] The executive ~~secretary~~ director of the board may enter into a reciprocal agreement on behalf of this state with an adjacent state which provides for permits to be issued to rendering plants, pet food processing establishments or suppliers of establishments, and mink ranch operators located in either state to transport carcasses to their plants, establishments, or ranches over the public highways of this state and the reciprocating state.

This subdivision applies if the adjacent state has in effect standards and requirements which are the equivalent of the standards and requirements of this state as established by the board.

Sec. 80. Minnesota Statutes 1998, section 35.92, subdivision 5, is amended to read:

Subd. 5. [SUBPOENAS.] The board of animal health through its executive ~~secretary~~ director

may issue subpoenas to compel the attendance of witnesses or submission of books, documents, and records affecting the authority or privilege granted by a license, registration, certification, or permit issued under this chapter or by the board or issued by the commissioner of agriculture if agreed to by the commissioner.

Sec. 81. Minnesota Statutes 1998, section 35.93, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The board of animal health may seek to remedy violations by authorizing the executive secretary director to issue a written warning, administrative meeting, cease and desist, stop-sale, or other special order, seizure, stipulation, or agreement, if the board determines that the remedy is in the public interest.

Sec. 82. Minnesota Statutes 1998, section 41B.044, subdivision 2, is amended to read:

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this the general fund. ~~Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.~~

Sec. 83. Minnesota Statutes 1998, section 84.027, subdivision 15, is amended to read:

Subd. 15. [ELECTRONIC TRANSACTIONS.] (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

(2) assign a license identification number to an applicant who purchases a hunting or fishing license by electronic means, to serve as temporary authorization to engage in the licensed activity until the license is received or expires;

(3) charge and permit agents to charge a fee of individuals who make electronic transactions, and transactions by telephone, including ~~a transaction~~ the issuing fee under section 97A.485, subdivision 6, and ~~a credit card~~ an additional transaction fee not to exceed \$3.50 for electronic transactions;

(4) select up to four volunteer counties, not more than two in the metropolitan area, to participate in this pilot project and the counties shall select the participating agents; ~~and~~

(5) upon completion of a pilot project, implement a statewide system and select the participating agents; and

(6) adopt rules to administer the provisions of this subdivision.

(b) A county shall not collect a commission for the sale of licenses or permits made by agents selected by the participating counties under this subdivision.

(c) Establishment of the transaction fee under paragraph (a), clause (3), is not subject to the rulemaking procedures of chapter 14.

(d) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

Sec. 84. Minnesota Statutes 1998, section 84.0855, is amended by adding a subdivision to read:

Subd. 1a. [SOFTWARE SALES.] Notwithstanding section 16B.405, the commissioner may

sell or license intellectual property and software products or services developed by the department or custom developed by a vendor for the department.

Sec. 85. Minnesota Statutes 1998, section 84.0855, subdivision 2, is amended to read:

Subd. 2. [RECEIPTS; APPROPRIATION.] Money received by the commissioner under this section or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs. Money received from sales of intellectual property and software products or services shall be available for development, maintenance, and support of software products and systems.

Sec. 86. Minnesota Statutes 1998, section 84.81, is amended by adding a subdivision to read:

Subd. 13. [METAL TRACTION DEVICE.] "Metal traction device" means any metal device or array of metal devices attached to a snowmobile track to enhance traction that is:

(1) made of metal, except that metal cleats affixed perpendicular to the direction of travel of a snowmobile track which was manufactured in 1981 or earlier shall not be considered a metal traction device; or

(2) affixed to a snowmobile track with metal components that extend more than one-fourth inch from the bottom of the track.

Sec. 87. Minnesota Statutes 1998, section 84.8205, is amended by adding a subdivision to read:

Subd. 6. [DUPLICATE STATE TRAIL STICKERS.] The commissioner shall issue a duplicate sticker to persons whose sticker is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules promulgated thereunder. The fee for a duplicate state trail sticker is \$2, with an issuing fee of 50 cents.

Sec. 88. Minnesota Statutes 1998, section 84.83, subdivision 3, is amended to read:

Subd. 3. [PURPOSES FOR THE ACCOUNT.] The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails, including maintenance of trails on lands and waters of Voyageurs National Park;

(2) for acquisition, development, and maintenance of state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) for the administration and enforcement of sections 84.81 to 84.90.

Sec. 89. Minnesota Statutes 1998, section 84.83, subdivision 4, is amended to read:

Subd. 4. [PROVISIONS APPLICABLE TO FUNDING RECIPIENTS.] (a) Recipients of Minnesota trail assistance program funds must be afforded the same protection and be held to the same standard of liability as a political subdivision under chapter 466 for activities associated with the administration, design, construction, maintenance, and grooming of snowmobile trails.

(b) Recipients of Minnesota trail assistance program funds who maintain ice trails on waters of Voyageurs National Park are expressly immune from liability under section 466.03, subdivision 6e.

Sec. 90. Minnesota Statutes 1998, section 84.86, subdivision 1, is amended to read:

Subdivision 1. With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) Registration of snowmobiles and display of registration numbers.
- (2) Use of snowmobiles insofar as game and fish resources are affected.
- (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails, including, but not limited to, the use of specified metal traction devices and nonmetal traction devices.
- (4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.
- (5) Specifications relating to snowmobile mufflers.
- (6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray a portion of the expenses of training and certifying snowmobile operators, the commissioner shall collect a fee of not to exceed \$5 from each person who receives the youth and young adult training and a fee established under chapter 16A from each person who receives or the adult training. The commissioner shall establish a fee that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services. The fee is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The commissioner shall deposit the fee in the snowmobile trails and enforcement account and the amount thereof is appropriated annually to the commissioner of natural resources for the administration of such programs. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.
- (7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 91. Minnesota Statutes 1998, section 84.862, subdivision 1, is amended to read:

Subdivision 1. [YOUTH AND YOUNG ADULT SAFETY TRAINING.] Effective October 1, 1998, any resident born after December 31, 1979, who operates a snowmobile in Minnesota, must possess a valid snowmobile safety certificate or a driver's license or identification card with a valid snowmobile qualification indicator issued under section 171.07, subdivision 12. The certificate or qualification indicator may only be issued upon successful completion of ~~the~~ a course authorized under section 84.86 or 84.862, subdivision 2, if the person is 16 years of age or older.

Sec. 92. Minnesota Statutes 1998, section 84.862, subdivision 2, is amended to read:

Subd. 2. [ADULT SAFETY TRAINING.] Effective October 1, 2002, any resident born after December 31, 1976, and before December 31, 1983, who operates a snowmobile in Minnesota, must possess a valid operator's permit or driver's license or identification card with a valid snowmobile qualification indicator issued under section 171.07, subdivision 12, showing successful completion of a safety course designed for adults or persons 16 years of age or older. Whenever possible, the course shall include a riding component that stresses stopping distances.

Sec. 93. Laws 1999, chapter 4, section 2, is amended to read:

Sec. 2. [84.8712] [METAL TRACTION DEVICES; PROHIBITION ON PAVED TRAILS.]

Subdivision 1. [PROHIBITION.] ~~A person may not use a snowmobile with metal traction devices on any paved public trail, except:~~

- (1) ~~as provided by a local government with jurisdiction over a trail;~~
- (2) ~~to make the shortest possible crossing over a paved state trail at slow speed; or~~
- (3) on any portion of a paved state trail designated by the commissioner. A person may not use a snowmobile with metal traction devices on a paved public trail, except as otherwise provided by a local government with jurisdiction over a trail or any portion of a paved state trail designated by the commissioner.

Subd. 2. [CIVIL CITATION; AUTHORITY TO ISSUE.] Conservation officers and other licensed peace officers may issue civil citations to a person who operates a snowmobile in violation of this section. The citation must impose a penalty of no more than \$50 for the first offense, no more than \$300 for the second offense, and no more than \$600 for third and subsequent offenses.

Subd. 3. [APPEALS.] Civil citations for offenses under this section may be appealed under the procedures in section 116.072, subdivision 6, if the recipient of the citation requests a hearing by notifying the commissioner in writing within 15 days after receipt of the citation. For the purposes of the enforcement of this section, the terms "commissioner" and "agency" as used in section 116.072 mean the commissioner of natural resources. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.

Subd. 4. [ENFORCEMENT.] Civil citations for offenses under this section may be enforced under section 116.072, subdivision 9. If a person fails to pay a penalty owed under this section, the person may not operate a snowmobile until the penalty is paid. Penalty amounts must be remitted within 30 days of issuance of the penalty citation.

Subd. 5. [ALLOCATION OF PENALTY AMOUNTS.] Penalty amounts collected from civil citations issued under this section are deposited to the unit of government employing the officer that issues the civil citation. The commissioner must deposit penalty amounts received by the state in the snowmobile trails and enforcement account established by section 84.83, subdivision 1. The penalty amounts in the account must be dedicated for the repair of paved public trails.

Subd. 6. [SELECTION OF REMEDY.] A person operating a snowmobile in violation of this section is guilty of a petty misdemeanor punishable by a fine of no more than \$50 for the first offense, no more than \$300 for the second offense, and no more than \$600 for the third and subsequent offenses. A peace officer may not seek both civil and petty misdemeanor penalties for a violation of this section.

Sec. 94. [84.8713] [METAL TRACTION DEVICE STICKER.]

Subdivision 1. [STICKER REQUIRED; FEE.] (a) An owner of a snowmobile registered in the state may not operate the snowmobile with a track equipped with metal traction devices unless a metal traction device sticker is affixed to the snowmobile. The commissioner shall issue a metal traction device sticker upon application and payment of a \$12 fee. The sticker is valid for one year following June 30 in the year it is issued.

(b) The requirements in paragraph (a) do not apply to snowmobiles owned, leased, or operated by the state or a political subdivision, or to snowmobiles used in an organized race, so long as they do not utilize a paved public trail, except as otherwise provided in this chapter.

(c) Fees collected under this section shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund. Money deposited under this section is appropriated to the commissioner of natural resources, and must be used for repair of paved public trails, unless a trail is exempted by local authorities under section 84.8712, except that any money not necessary for this purpose may be used for the grant-in-aid snowmobile trail system.

Subd. 2. [PLACEMENT OF STICKER.] The metal traction device sticker must be permanently affixed to the forward half of the snowmobile and clearly visible to law enforcement authorities.

Subd. 3. [LICENSE AGENTS.] The commissioner shall sell metal traction device stickers for a \$1 issuance fee through the process established under section 84.82, subdivision 2.

Subd. 4. [DUPLICATE METAL TRACTION DEVICE STICKERS.] The commissioner or an authorized deputy registrar of motor vehicles shall issue a duplicate metal traction device sticker to a person whose sticker is lost or destroyed. A duplicate sticker may not be issued unless the applicant takes an oath covering the facts of loss or destruction of the sticker and signs an affidavit. The fee for a duplicate metal traction device sticker is \$2, with an issuing fee of 50 cents.

Subd. 5. [REPEALER.] This section is repealed on July 1, 2004.

Sec. 95. Minnesota Statutes 1998, section 84.872, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS ON OPERATION.] (a) Notwithstanding anything in section 84.87 to the contrary, no person under 14 years of age shall make a direct crossing of a trunk, county state-aid, or county highway as the operator of a snowmobile, or operate a snowmobile upon a street or highway within a municipality.

A person 14 years of age or older, but less than 18 years of age, may make a direct crossing of a trunk, county state-aid, or county highway only if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner or a ~~valid motor vehicle operator's driver's license issued by the commissioner of public safety or the driver's license authority of another state~~ or identification card with a valid snowmobile qualification indicator issued under section 171.07, subdivision 12.

(b) Notwithstanding section 84.862, no person under the age of 14 years shall operate a snowmobile on any public land, public easements, or water or grant-in-aid trail unless accompanied by one of the following listed persons on the same or an accompanying snowmobile, or on a device towed by the same or an accompanying snowmobile: the person's parent, legal guardian, or other person 18 years of age or older designated by the parent or guardian. However, a person 12 years of age or older but under the age of 14 years may operate a snowmobile on public lands, public easements, and waters or a grant-in-aid trail if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner or an identification card with a valid snowmobile qualification indicator issued under section 171.07, subdivision 12.

Sec. 96. Minnesota Statutes 1998, section 84.91, subdivision 1, is amended to read:

Subdivision 1. [ACTS PROHIBITED.] (a) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance or other substance to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(b) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(c) A person who operates or is in physical control of a snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state is subject to sections 169.121 to 169.1218 and 169.123 to 169.129. In addition to the applicable sanctions under chapter 169, a person who is convicted of violating section 169.121 while operating a snowmobile or all-terrain vehicle, or who refuses to comply with a lawful request to submit to testing under section 169.123, shall be prohibited from operating the snowmobile or all-terrain vehicle for a period of one year. The commissioner shall notify the convicted person of the time period during which the person is prohibited from operating a snowmobile or all-terrain vehicle.

(d) Administrative and judicial review of the operating privileges prohibition is governed by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving conviction or prior license revocation, as defined in section 169.121, subdivision 3. Otherwise, administrative and judicial review of the prohibition is governed by section 169.123.

(e) The court shall promptly forward to the commissioner and the department of public safety copies of all convictions and criminal and civil sanctions imposed under this section and chapter 169 relating to snowmobiles and all-terrain vehicles.

(f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either of them, is guilty of a misdemeanor. A person who operates a snowmobile or all-terrain vehicle during the time period the person is prohibited from operating a vehicle under paragraph (c) is guilty of a misdemeanor.

Sec. 97. Minnesota Statutes 1998, section 84.98, subdivision 6, is amended to read:

Subd. 6. [FEES.] The commissioner may charge a fee for any service performed by the Minnesota conservation corps. Fees generated shall be deposited in a special revenue fund and appropriated to the commissioner for Minnesota conservation corps projects and administration.

Sec. 98. [ADDING LAND TO BLUE MOUNDS STATE PARK.]

[85.012] [Subd. 8.] The following area is added to Blue Mounds state park: That part of the Northeast Quarter of the Southwest Quarter and the Southeast Quarter of the Northwest Quarter of Section 13, Township 103 North, Range 45 West, Rock County, described as follows: Commencing at the southwest corner of said Northeast Quarter of the Southwest Quarter; thence on an assumed bearing of South 89 degrees 36 minutes 41 seconds East along the south line of said Northeast Quarter of the Southwest Quarter 165.00 feet to the point of beginning; thence North 00 degrees 17 minutes 27 seconds West parallel with the west line of said section 1438.74 feet to an iron stake with DNR caps; thence South 88 degrees 57 minutes 33 seconds East along an existing fence line 42.15 feet; thence South 00 degrees 30 minutes 38 seconds West along an existing fence line 1438.16 feet to the south line of said Northeast Quarter of the Southwest Quarter; thence North 89 degrees 36 minutes 41 seconds West along said south line 22.02 feet to the point of beginning.

Sec. 99. [IRON RANGE OFF-HIGHWAY VEHICLE RECREATION AREA, ST. LOUIS COUNTY.]

Subdivision 1. [85.013] [Subd. 12a.] [ADDITIONS TO IRON RANGE OFF-HIGHWAY VEHICLE RECREATION AREA, ST. LOUIS COUNTY.] The following areas are added to the Iron Range off-highway vehicle recreation area, all in St. Louis county:

(1) Section 2, Township 58 North, Range 17 West, EXCEPT: the East Half; the North Half of the Northwest Quarter; and the Southeast Quarter of the Northwest Quarter;

(2) Section 3, Township 58 North, Range 17 West, EXCEPT: the Southeast Quarter; the North Half of the Northeast Quarter; the North Half of the Northwest Quarter; the Southwest Quarter of the Northwest Quarter; and the Northwest Quarter of the Southwest Quarter;

(3) Section 4, Township 58 North, Range 17 West, EXCEPT: the West Half; the Northeast Quarter; the North Half of the Southeast Quarter; and the Southwest Quarter of the Southeast Quarter;

(4) Section 8, Township 58 North, Range 17 West, EXCEPT: the West Half; the West Half of the Southeast Quarter; and the West Half of the Northeast Quarter;

(5) Section 9, Township 58 North, Range 17 West;

(6) Section 11, Township 58 North, Range 17 West, EXCEPT: the West Half of the Northwest Quarter; and the Northwest Quarter of the Southwest Quarter;

(7) Section 14, Township 58 North, Range 17 West, EXCEPT: the East Half;

(8) Section 15, Township 58 North, Range 17 West, lying North of the DM&IR grade, EXCEPT: the Southwest Quarter; and the South Half of the Northwest Quarter;

(9) Section 16, Township 58 North, Range 17 West, lying North of county road 921, EXCEPT: the East Half of the Southeast Quarter, lying North of the DM&IR grade;

(10) Section 22, Township 58 North, Range 17 West, lying North of the DM&IR grade; and

(11) Section 23, Township 58 North, Range 17 West, a 100 foot corridor of the Mesabi Trail as located between the west line of said Section 23 and Minnesota trunk highway No. 135.

Subd. 2. [ADVISORY COMMITTEE; ADDING MEMBERS.] The advisory committee created under Laws 1996, chapter 407, section 32, subdivision 4, shall continue to provide direction on the planning, development, and operation of the Iron Range off-highway vehicle recreation area, including the land added under subdivision 1. The following members are added to the advisory committee:

(1) a representative of the city council of Gilbert; and

(2) a representative of the city council of Virginia.

Subd. 3. [MINING.] The commissioner shall recognize the possibility that mining, including, but not limited, to taconite and iron ore, may be conducted in the future within the Iron Range off-highway vehicle area and that use of portions of the surface estate and control of the flowage of water may be necessary for future mining operations.

Subd. 4. [MANAGEMENT PLAN.] The commissioner of natural resources and the local area advisory committee shall cooperatively develop a separate comprehensive management plan for the land added to the Iron Range off-highway vehicle recreation area under subdivision 1. The management plan shall provide for:

(1) multiple use recreation for off-highway vehicles;

(2) protection of natural resources;

(3) limited timber management;

(4) mineral exploration and mining management;

(5) land acquisition needs;

(6) road and facility development; and

(7) trail and road connections between the land added under subdivision 1 and the land added by Laws 1996, chapter 407, section 32, subdivision 6.

The completed management plan, together with the management plan completed under Laws 1996, chapter 407, section 32, subdivision 5, shall serve as the master plan for the Iron Range off-highway vehicle recreation area under Minnesota Statutes, section 86A.09.

Subd. 5. [APPLICABILITY OF OTHER LAW.] Except as otherwise provided by this section, the provisions of Laws 1996, chapter 407, section 32, apply to the land added to the Iron Range off-highway vehicle recreation area under subdivision 1.

Sec. 100. Minnesota Statutes 1998, section 85.015, subdivision 4, is amended to read:

Subd. 4. [DOUGLAS TRAIL, OLMSTED, WABASHA, AND GOODHUE COUNTIES.] (a) The trail shall originate at Rochester in Olmsted county and shall follow the route of the Chicago Great Western Railroad to Pine Island in Goodhue county and there terminate.

(b) Additional trails may be established that extend the Douglas trail system to include Pine Island, Mazeppa in Wabasha county to Zumbrota, Bellechester, Goodhue, and Red Wing in Goodhue county. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The trail shall be developed primarily for riding and hiking.

(d) Under no circumstances shall the commissioner acquire any of the right-of-way of the Chicago Great Western Railroad until the abandonment of the line of railway described in this subdivision has been approved by the Interstate Commerce Commission.



Sec. 101. Minnesota Statutes 1998, section 85.015, is amended by adding a subdivision to read:

Subd. 21. [GITCHI-GAMI TRAIL, LAKE AND COOK COUNTIES.] (a) The trail shall originate in the city of Two Harbors and shall extend in a northeasterly direction along the shore of Lake Superior, running parallel to state highway 61 to the city of Grand Marais.

(b) The trail shall be developed primarily for hiking and bicycling.

Sec. 102. Minnesota Statutes 1998, section 85.019, subdivision 2, is amended to read:

Subd. 2. [PARKS AND OUTDOOR RECREATION AREAS.] The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of \$50,000, whichever is less, of acquisition and betterment of public land and improvements needed for parks and other outdoor recreation areas and facilities.

Sec. 103. Minnesota Statutes 1998, section 85.019, is amended by adding a subdivision to read:

Subd. 4b. [REGIONAL TRAILS.] The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for trails deemed to be of regional significance according to criteria published by the commissioner. If land used for the trails is not in full public ownership, then the recipients must prove it is dedicated to the purposes of the grants for at least 20 years.

Sec. 104. Minnesota Statutes 1998, section 85.019, is amended by adding a subdivision to read:

Subd. 4c. [LOCAL TRAIL CONNECTIONS.] The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for trails that connect communities, trails, and parks and thereby increase the effective length of trail experiences. If land used for the trails is not in full public ownership, then the recipients must prove it is dedicated to the purposes of the grants for at least 20 years.

Sec. 105. Minnesota Statutes 1998, section 85.40, subdivision 5, is amended to read:

Subd. 5. [CROSS-COUNTRY SKI TRAIL.] "Cross-country ski trail" means a public pathway designated and promoted for cross country skiing, ~~excluding trails that have not received state acquisition or betterment funds for recreational purposes in state parks as defined in section 85.012, on state forest lands as defined in section 89.001, on state trails as defined in section 85.015, on elements of the regional recreation open space system as defined in section 473.147, or on trails within the cross-country ski grant-in-aid program as defined in section 85.44.~~

Sec. 106. Minnesota Statutes 1998, section 85.41, subdivision 1, is amended to read:

Subdivision 1. [ON PERSON.] While skiing on cross-country ski trails, a person ~~between the ages of 16 and 64 years~~ age 16 and over shall carry in immediate possession a valid, signed cross-country ski pass. A landowner who grants an easement for a grant-in-aid ski trail is not required to have a pass when skiing on the landowner's property.

Sec. 107. Minnesota Statutes 1998, section 85.41, subdivision 4, is amended to read:

Subd. 4. [FORM.] The department shall provide forms and blanks to all agents authorized to issue passes by the commissioner. The pass shall be with the skier and available for inspection by any peace or conservation officer. The pass shall include the applicant's ~~name~~ signature and other information deemed necessary by the commissioner.

Sec. 108. Minnesota Statutes 1998, section 85.41, subdivision 5, is amended to read:

Subd. 5. [AGENT'S ISSUING FEE.] The fee for a cross-country ski pass shall be increased by the amount of an issuing fee of ~~50 cents~~ \$1 per pass. The issuing fee ~~may~~ shall be retained by the seller of the pass. A pass shall indicate the amount of the fee that is retained by the seller. ~~This subdivision does not apply to any pass sold by the state.~~

Sec. 109. Minnesota Statutes 1998, section 85.42, is amended to read:

85.42 [USER FEE; VALIDITY.]

(a) ~~The fee for an annual cross-country ski pass is \$5 for an individual pass or \$7.50 for a combination husband and wife pass \$9 for an individual age 16 and over. The fee for a three-year pass is \$14 for an individual pass or \$21 for a combination husband and wife pass \$24 for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. Three-year passes are valid for three years beginning the previous July 1. Annual passes are valid for one year beginning the previous July 1. Passes are not transferable.~~

(b) ~~The cost for a daily cross-country skier pass is \$1~~ \$2 for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. ~~The daily pass is valid only for the date designated on the pass form.~~

(c) A pass must be signed by the skier across the front of the pass to be valid and becomes nontransferable on signing.

Sec. 110. Minnesota Statutes 1998, section 85.44, is amended to read:

85.44 [CROSS-COUNTRY SKI TRAIL GRANT-IN-AID PROGRAM.]

The commissioner shall establish a grant-in-aid program for local units of government and special park districts for the acquisition, development, and maintenance of cross-country ski trails. Grants shall be available for acquisition of trail easements but may not be used to acquire any lands in fee title. Local units of government and special park districts applying for and receiving grants under this section shall be considered to have cross-country ski trails for one year following the expiration of their last grant. The department shall reimburse all public sponsors of grants-in-aid cross-country ski trails based upon criteria established by the department. Prior to the use of any reimbursement criteria, a certain proportion of the revenues shall be allocated on the basis of user fee sales location.

Sec. 111. Minnesota Statutes 1998, section 85.45, subdivision 1, is amended to read:

Subdivision 1. [SKIING WITHOUT PASS.] No person may ski on a public cross-country ski trail, ~~including a grant-in-aid cross-country ski trail,~~ without a valid, signed cross-country ski pass. ~~Effective July 1, 1984, Any person who violates this subdivision is guilty of a petty misdemeanor.~~

Sec. 112. Minnesota Statutes 1998, section 86B.415, is amended to read:

86B.415 [LICENSE FEES.]

Subdivision 1. [WATERCRAFT 19 FEET OR LESS.] The fee for a watercraft license for watercraft 19 feet or less in length is ~~\$12~~ \$18 except:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, the fee is \$6;

(2) for a canoe, kayak, sailboat, sailboard, paddle boat, or rowing shell 19 feet in length or less, the fee is \$7;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the fee is as provided in subdivision 4; ~~and~~

(4) for a watercraft owned by a dealer under a dealer's license, the fee is as provided in subdivision 5;

(5) for a personal watercraft, the fee is \$25; and

(6) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (1) to (5), the fee is \$12.

Subd. 2. [WATERCRAFT OVER 19 FEET.] Except as provided in subdivisions 3, 4, and 5, the watercraft license fee:

- (1) for a watercraft more than 19 feet but less than 26 feet in length is \$20 \$30;
- (2) for a watercraft 26 feet but less than 40 feet in length is \$30 \$45; and
- (3) for a watercraft 40 feet in length or longer is \$40 \$60.

Subd. 3. [WATERCRAFT OVER 19 FEET FOR HIRE.] The license fee for a watercraft more than 19 feet in length for hire with an operator is \$50 each.

Subd. 4. [WATERCRAFT USED BY NONPROFIT CORPORATION FOR TEACHING.] The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is \$3 each.

Subd. 5. [DEALER'S LICENSE.] There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is \$30 \$45.

Subd. 6. [TRANSFER OR DUPLICATE LICENSE.] The fee to transfer a watercraft license or be issued a duplicate license is \$3.

Subd. 7. [WATERCRAFT SURCHARGE.] A \$5 surcharge is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands.

Subd. 7a. [PERSONAL WATERCRAFT SURCHARGE.] A \$50 surcharge is placed on each personal watercraft licensed under subdivisions 1 to 5 for enforcement of personal watercraft laws and for personal watercraft safety education. The surcharge must be deposited in the state treasury and credited to the water recreation account in the natural resources fund. Any grants to counties from revenue collected under this subdivision must be proportional to the use of personal watercraft in each county. Grants made under this subdivision are subject to the applicable administrative, reporting, and auditing requirements in sections 86B.701 and 86B.705.

Subd. 8. [REGISTRAR'S FEE.] In addition to the license fee, a fee of \$2 shall be charged for a watercraft license:

- (1) issued through the registrar or a deputy registrar of motor vehicles and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or
- (2) issued through the commissioner and the additional fee shall be deposited in the state treasury and credited to the water recreation account.

Subd. 9. [DISPOSITION OF RECEIPTS.] Money received for watercraft licenses shall be deposited in the state treasury and credited to the water recreation account.

Subd. 10. [ACCOUNTING.] The commissioner of natural resources, in agreement with the commissioner of public safety, may prescribe the accounting and procedural requirements necessary to assure efficient handling of watercraft registrations and license fees by deputy registrars. Deputy registrars shall strictly comply with these accounting and procedural requirements.

Sec. 113. Minnesota Statutes 1998, section 88.067, is amended to read:

88.067 [~~TRAINING OF~~ GRANTS TO LOCAL FIRE DEPARTMENTS.]

The commissioner may make grants for procurement of fire suppression equipment and training of fire departments in techniques of fire control that. These grants will enable them local fire departments to assist the state more effectively in controlling wildfires. The commissioner may require a local match for any grant. Fire suppression equipment may include, but is not limited to, fire suppression tools and equipment, protective clothing, dry hydrants,

communications equipment, and conversion of vehicles to wildfire suppression vehicles. Training shall be provided to the extent practicable in coordination with other public agencies with training and educational responsibilities.

Sec. 114. Minnesota Statutes 1998, section 89A.01, is amended by adding a subdivision to read:

Subd. 10a. [PEER REVIEW.] "Peer review" means a scientifically based review conducted by individuals with substantial knowledge and experience in the subject matter.

Sec. 115. Minnesota Statutes 1998, section 89A.02, is amended to read:

89A.02 [POLICY.]

It is the policy of the state to:

(1) pursue the sustainable management, use, and protection of the state's forest resources to achieve the state's economic, environmental, and social goals;

(2) encourage cooperation and collaboration between public and private sectors in the management of the state's forest resources;

(3) recognize and consider forest resource issues, concerns, and impacts at the site and landscape levels; and

(4) recognize the broad array of perspectives regarding the management, use, and protection of the state's forest resources, and establish processes and mechanisms that seek and incorporate these perspectives in the planning and management of the state's forest resources.

Nothing in this chapter abolishes, repeals, or negates any existing authorities, ~~policies, programs, or activities of the commissioner or other statutory authorities~~ related to managing and protecting the state's forest resources.

Sec. 116. Minnesota Statutes 1998, section 89A.03, is amended to read:

89A.03 [MINNESOTA FOREST RESOURCES COUNCIL.]

Subdivision 1. [MEMBERSHIP.] ~~The Minnesota forest resources council has 13 members appointed by the governor and one member appointed by the Indian affairs council. The governor must appoint a chair and 15 other members to the Minnesota forest resources council. The Indian affairs council will appoint one additional member. When making appointments to the council, the governor must appoint knowledgeable individuals with an understanding of state forest resource issues who fairly reflect a balance of the various interests in the sustainable management, use, and protection of the state's forest resources in order to achieve the purpose and policies specified in section 89A.02, and subdivision 2 of this section. The council membership appointed by the governor must include the following individuals:~~

(1) ~~a representative~~ two representatives from ~~an organization~~ organizations representing environmental interests within the state;

(2) a representative from an organization representing the interests of management of game species;

(3) a representative from a conservation organization;

(4) a representative from an association representing forest products industry within the state;

(5) a commercial logging contractor active in a forest product association;

(6) a representative from a statewide association representing the resort and tourism industry;

(7) a faculty or researcher of a Minnesota research or higher educational institution;

- (8) an owner of nonindustrial, private forest land of 40 acres or more;
- (9) an ~~agricultural woodlot owner~~ owner of nonindustrial, private forest land;
- (10) a representative from the department;
- (11) a county land commissioner who is a member of the Minnesota association of county land commissioners;
- (12) a representative from the United States Forest Service unit with land management responsibility in Minnesota; and
- (13) a representative from a labor organization with membership having an interest in forest resource issues;
- (14) an individual representing a secondary wood products manufacturing organization; and
- (15) a chair.

Subd. 2. [PURPOSE.] The council ~~shall~~ must develop recommendations to the governor and to federal, state, county, and local governments with respect to forest resource policies and practices that result in the sustainable management, use, and protection of the state's forest resources. The policies and practices must:

- (1) acknowledge the interactions of complex sustainable forest resources, multiple ownership patterns, and local to international economic forces;
- (2) give equal consideration to the long-term economic, ecological, and social needs and limits of the state's forest resources;
- (3) foster the productivity of the state's forests to provide a diversity of sustainable benefits at site-levels and landscape-levels;
- (4) enhance the ability of the state's forest resources to provide future benefits and services;
- (5) foster no net loss of forest land in Minnesota;
- (6) encourage appropriate mixes of forest cover types and age classes within landscapes to promote biological diversity and viable forest-dependent fish and wildlife habitats;
- (7) encourage collaboration and coordination with multiple constituencies in planning and managing the state's forest resources; and
- (8) address the environmental impacts and ~~their~~ implement mitigations as recommended in the generic environmental impact statement on timber harvesting.

Subd. 3. [COUNCIL MEETINGS.] ~~The council shall establish procedures for conducting its meetings in accordance with section 471.705 that include provisions for seeking and incorporating public input.~~ At a minimum, meetings of the council and all of the committees, task forces, technical teams, regional committees, and other groups the council may establish must be conducted in accordance with section 471.705. Except where prohibited by law, the council must establish additional processes to broaden public involvement in all aspects of its deliberations.

Subd. 4. [COUNCIL OFFICERS AND STAFF.] ~~The council shall elect a chair from among its members.~~ The council ~~may~~ shall employ an executive director and administrative assistant who shall have the authority to employ staff. Technical expertise that will enable the council to carry out its functions must be provided to the council by those interests represented on the council.

Subd. 5. [MEMBERSHIP REGULATION.] Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059. Section 15.059, subdivision 5, does not govern the expiration date of the council.

Subd. 6. [REPORT.] ~~By January 1, 1997, the council shall prepare a report to the governor and~~

~~legislature on the status of the state's forest resources, and strategic directions to provide for their management, use, and protection. Information generated by the reporting requirements in this chapter must be incorporated in the council's report. To the extent possible, the council's report must also identify the activities and accomplishments of various programs that directly affect the state's forest resources. The council must report to the governor and to the legislative committees and divisions with jurisdiction over environment and natural resource policy and finance by February 1 of each year. The report must describe the progress and accomplishments made by the council during the preceding year.~~

~~Subd. 7. [REVIEW OF FOREST RESOURCES PLAN AND ASSESSMENT.] The council shall undertake a review of the forest resource management plan and forest assessment requirements contained in section 89.011, and report to the commissioner no later than July 1, 1996, on the appropriateness and effectiveness of these requirements, including recommendations for enhancing existing forest resource planning processes. The council shall review draft statewide and district forest resource planning documents, and incorporate the findings, including any recommendation, of such reviews in its biennial report specified in subdivision 6.~~

Sec. 117. Minnesota Statutes 1998, section 89A.04, is amended to read:

89A.04 [PARTNERSHIP.]

It is the policy of the state to encourage forest landowners, forest managers, and loggers to establish a partnership in which the implementation of council recommendations can occur in a timely and coordinated manner across ownerships. The partnership shall serve as a forum for discussing operational implementation issues and problem solving related to forest resources management and planning concerns, and be responsive to the recommendations of the council. This partnership shall also actively foster collaboration and coordination among forest managers and landowners in addressing landscape-level operations and concerns. In fulfilling its responsibilities as identified in this chapter, ~~the council shall seek input from and consult with the partnership may advise the council.~~ Nothing in this section shall imply extra rights or influence for the partnership.

Sec. 118. Minnesota Statutes 1998, section 89A.05, is amended to read:

89A.05 [TIMBER HARVESTING AND FOREST MANAGEMENT GUIDELINES.]

Subdivision 1. [DEVELOPMENT.] The council shall coordinate the development of comprehensive timber harvesting and forest management guidelines. The guidelines must address the water, air, soil, biotic, recreational, and aesthetic resources found in forest ecosystems by focusing on those impacts commonly associated with applying site-level forestry practices. The guidelines must reflect a range of practical and sound practices based on the best available scientific information, and be integrated to minimize conflicting recommendations while being easy to understand and implement. ~~Best management practices previously developed for forest management must be incorporated into the guidelines. By June 30, 2003, the council shall periodically review and, when if deemed necessary, update the guidelines. Changes to the guidelines shall be peer reviewed prior to final adoption by the council. By December 1999, the council must undertake a peer review of the recommendations in the forest management guidelines adopted in December 1998 for protecting forest riparian areas and seasonal ponds.~~

Subd. 2. [ECONOMIC CONSIDERATIONS.] Before the implementation of timber harvesting and forest management guidelines, new site-level practices and landscape-level programs, the council shall analyze the costs and benefits of new site-level practices and landscape-level programs. When the analysis concludes that new landscape-level programs and site-level practices will result in adverse economic effects, including decreased timber supply and negative effects on tourism, opportunities to offset those effects must be explored. The council shall also:

(1) identify and quantify forest and timberland acreages that will no longer be available for harvest; and

(2) encourage public resource agencies to provide sustainable, predictable supplies of

high-quality forest resource benefits, including timber supplies that are consistent with their multiple mandates and diverse management objectives. These benefits should be provided by public resource agencies in proportion to their forest land's capability to do so.

Subd. 2a. [REVIEW.] In reviewing the guidelines, the council must consider information from forest resources, practices, compliance, and effectiveness monitoring programs of the department. The council's recommendations relating to revisions to the forest management guidelines must be subject to peer reviewers appointed by the council. The council must consider recommendations of peer reviewers prior to final adoption of revisions to the guidelines.

Subd. 3. [APPLICATION.] The timber harvesting and forest management guidelines are voluntary. Prior to their actual use, the council shall must develop guideline implementation goals for each major forest land ownership category. If the information developed as a result of the forest resources, practices, compliance, and effectiveness monitoring programs established in section 89A.07 conducted by the department or other information obtained by the council indicates the implementation goals for the guidelines are not being met and the council determines significant adverse impacts are occurring, the council shall recommend to the governor additional measures to address those impacts. The council shall must incorporate the recommendations as part of the council's biennial report required by section 89A.03, subdivision 6.

Subd. 4. [MONITORING RIPARIAN FORESTS.] The commissioner, with program advice from the council, shall accelerate monitoring the extent and condition of riparian forests, the extent to which harvesting occurs within riparian management zones and seasonal ponds, and the use and effectiveness of timber harvesting and forest management guidelines applied in riparian management zones and seasonal ponds. This information shall, to the extent possible, be consistent with the monitoring programs identified in section 89A.07. Information gathered on riparian forests and timber harvesting in riparian management zones and seasonal ponds as specified in this subdivision shall be presented to the legislature by February 2001 and in subsequent reports required in section 89A.03, subdivision 6.

Sec. 119. Minnesota Statutes 1998, section 89A.06, is amended to read:

89A.06 [LANDSCAPE-LEVEL FOREST RESOURCE PLANNING AND COORDINATION.]

Subdivision 1. [FRAMEWORK.] The council shall must establish a framework that will enable long-range strategic planning and landscape coordination to occur, to the extent possible, across all forested regions of the state and across all ownerships. The framework must include:

(1) identification of the landscapes within which long-range strategic planning of forest resources can occur, provided that the landscapes must be delineated based on broadly defined ecological units and existing classification systems, yet recognize existing political and administrative boundaries and planning processes;

(2) a statement of principles and goals for landscape-based forest resource planning; and

(3) identification of a general process by which landscape-based forest resource planning ~~can occur~~ occurs, provided that the process must give considerable latitude to design planning processes that fit the unique needs and resources of each landscape; reflect a balanced consideration of the economic, social, and environmental conditions and needs of each landscape; and interface and establish formats that are compatible with other landscape-based forest resource plans.

Subd. 2. [REGIONAL FOREST RESOURCE COMMITTEES.] To foster landscape-based forest resource planning, the council shall must establish regional forest resource committees. ~~The Each regional committees must~~ committee shall:

(1) include representative interests in a particular region that are committed to and involved in landscape planning and coordination activities;

(2) serve as a forum for landowners, managers, and representative interests to discuss landscape forest resource issues;

(3) identify and implement an open and public process whereby landscape-based strategic planning of forest resources can occur;

(4) integrate its report with existing public and private landscape planning efforts in the region;

(5) facilitate landscape coordination between existing regional landscape planning efforts of land managers, both public and private;

(6) identify and facilitate opportunities for public participation in existing landscape planning efforts in this region;

(7) identify sustainable forest resource goals for the landscape and strategies to achieve those goals; and

(5) (8) provide a regional perspective to the council with respect to council activities.

Subd. 2a. [REGIONAL FOREST COMMITTEE REPORTING.] The council must report annually on the activities and progress made by the regional forest committees established under subdivision 2, including the following:

(1) by December 1, 1999, the regional committee for the council's northeast landscape will complete the identification of draft desired future outcomes, key issues, and strategies for the landscape;

(2) by July 1, 2000, the council will complete assessments for the council's north central and southeast landscape regions;

(3) by July 1, 2001, the regional committees for the north central and southeast landscapes will complete draft desired future outcomes, key issues, and strategies for their respective landscapes; and

(4) the council will establish time lines for additional regional landscape committees and activities as staffing and funding allow.

Subd. 3. [REGIONAL COMMITTEE OFFICERS AND STAFF.] ~~Each regional committee shall elect a chair from among its members~~ The council chair may appoint a chair from the regional committee participants. The council shall ~~ensure~~ must include in its budget request sufficient resources for each regional committees have sufficient staff resources committee to carry out ~~their~~ its mission as defined in this section.

Subd. 4. [REPORT.] Each regional committee shall ~~shall~~ must report to the council its work activities and accomplishments.

Sec. 120. Minnesota Statutes 1998, section 89A.07, subdivision 3, is amended to read:

Subd. 3. [EFFECTIVENESS MONITORING.] The commissioner, in cooperation with other research and land management organizations, shall evaluate the effectiveness of practices to mitigate impacts of timber harvesting and forest management activities on the state's forest resources. The council shall provide oversight and program direction for the development and implementation of this monitoring program. The commissioner shall report to the council on the effectiveness of these practices.

Sec. 121. Minnesota Statutes 1998, section 89A.07, subdivision 5, is amended to read:

Subd. 5. [CITIZEN CONCERNS.] The council shall facilitate the establishment of a process to accept comments from the public on negligent timber harvesting or forest management practices. ~~Comments must also be directed to the organization administering the certification program.~~

Sec. 122. Minnesota Statutes 1998, section 89A.10, is amended to read:

89A.10 [CONTINUING EDUCATION; CERTIFICATION.]



It is the policy of the state to encourage timber harvesters and forest resource professionals to establish ~~voluntary certification and~~ continuing education programs within their respective professions that promote sustainable forest management. The council shall, where appropriate, facilitate the development of these programs.

Sec. 123. Minnesota Statutes 1998, section 92.45, is amended to read:

92.45 [STATE LAND ON MEANDERED LAKES WITHDRAWN FROM SALE.]

All state lands bordering on or adjacent to meandered lakes and other public waters and watercourses, with the live timber growing on them, are withdrawn from sale except as provided in this section. The commissioner of natural resources may sell the timber as otherwise provided by law for cutting and removal under conditions the commissioner prescribes. The conditions must be in accordance with approved, sustained-yield forestry practices. The commissioner must reserve the timber and impose other conditions the commissioner deems necessary to protect watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and St. Louis counties described in the act of Congress approved July 10, 1930, (Statutes at Large, volume 46, page 1020), the timber on state lands is subject to restrictions like those now imposed by the act on federal lands.

The following land is reserved for public travel: of all land bordering on or adjacent to meandered lakes and other public waters and watercourses and withdrawn from sale, a strip two rods wide, the ordinary high-water mark being its waterside boundary, and its landside boundary a line drawn parallel to the ordinary high-water mark and two rods distant landward from it. Wherever the conformation of the shore line or conditions require, the commissioner must reserve a wider strip.

Except for sales under section 282.018, subdivision 1, when a state agency or any other unit of government requests the legislature to authorize the sale of state lands bordering on or adjacent to meandered lakes and other public waters and watercourses, the commissioner shall evaluate the lands and their public benefits and make recommendations on the proposed dispositions to the committees of the legislature with jurisdiction over natural resources. The commissioner shall include any recommendations of the commissioner for disposition of lands withdrawn from sale under this section over which the commissioner has jurisdiction. The commissioner's recommendations may include a public sale, sale to a private party, acquisition by the commissioner for public purposes, retention of a conservation easement for shoreland preservation by the commissioner under chapter 84C, or a cooperative management agreement with, or transfer to, another unit of government.

The commissioner may sell state lands bordering on or adjacent to the Mississippi river or any lakes, waters, and watercourses in its bottom lands, desired or needed by the United States government for, or in connection with, any project heretofore authorized by Congress, to improve navigation in the Mississippi River at public sale according to law, as in other cases, upon application by an authorized United States official. The application must describe the land and include a map showing its location with reference to adjoining properties.

Sec. 124. Minnesota Statutes 1998, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that

are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 for fiscal years 1999 and 2000, 100 percent, and thereafter, 50 percent, of the money received from the lease of permanent school fund lands leased pursuant to this subdivision must be credited to the lakeshore leasing and sales account in the permanent school fund and is appropriated for use to survey, appraise, and pay associated selling ~~and~~, leasing, or exchange costs of lots as required in this section and Minnesota Statutes 1992, section 92.67, subdivision 3. ~~The money may not be used to pay the cost of surveying lots not scheduled for sale.~~ Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling ~~and~~, leasing, or exchange costs of lots, as required in this section, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale or exchange the costs of surveying, appraising, and ~~selling~~ disposing of the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and ~~selling~~ disposing of any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale or exchange an amount more than ~~\$700 for~~ the actual contract service costs of surveying and, appraising, and disposing of the lot.

Sec. 125. Minnesota Statutes 1998, section 97B.020, is amended to read:

97B.020 [FIREARMS SAFETY CERTIFICATE REQUIRED.]

Except as provided in this section, a person born after December 31, 1979, may not obtain a license to take wild animals by firearms. ~~A person may obtain a hunting license if unless the person has a firearms safety certificate or equivalent certificate, driver's license or identification card with a valid firearms safety qualification indicator issued under section 171.07, subdivision 13, previous hunting license, or other evidence indicating that the person has completed in this state or in another state a hunter safety course recognized by the department under a reciprocity agreement. A person who is on active duty and has successfully completed basic training in the United States armed forces, reserve component, or national guard may obtain a hunting license or approval authorizing hunting regardless of whether the person is issued a firearms safety certificate.~~

Sec. 126. Minnesota Statutes 1998, section 103B.227, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF BOARD VACANCIES.] Appointing authorities for watershed management organization board members shall publish a notice of vacancies resulting from expiration of members' terms and other reasons. The notices must be published at least once in a newspaper of general circulation in the watershed management organization area. The notices must state that persons interested in being appointed to serve on the watershed management

organization board may submit their names to the appointing authority for consideration. After December 31, 1999, staff of local units of government that are members of the watershed management organization are not eligible to be appointed to the board. Published notice of the vacancy must be given at least 15 days before an appointment or reappointment is made.

Sec. 127. Minnesota Statutes 1998, section 103F.515, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land meets the requirements of paragraphs (b) and (c).

(b) Land is eligible if the land:

- (1) is marginal agricultural land;
- (2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;
- (3) consists of a drained wetland;
- (4) is land that with a windbreak would be beneficial to resource protection;
- (5) is land in a sensitive groundwater area;
- (6) is riparian land;
- (7) is cropland or noncropland adjacent to restored wetlands to the extent of up to four acres of cropland or one acre of noncropland for each acre of wetland restored;
- (8) is a woodlot on agricultural land;
- (9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; or
- (10) is land on a hillside used for pasture.

(c) Eligible land under paragraph (a) must:

- (1) be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;
- (2) be at least five acres in size, except for a drained wetland area, riparian area, windbreak, woodlot, or abandoned building site, or be a whole field as defined by the United States Agricultural Stabilization and Conservation Services;
- (3) not be set aside, enrolled or diverted under another federal or state government program unless enrollment in the conservation reserve program would provide additional conservation benefits or a longer term of enrollment than under the current federal or state program; and
- (4) have been in agricultural crop production for at least two of the last five years before the date of application except drained wetlands, riparian lands, woodlots, abandoned building sites, or land on a hillside used for pasture.

(d) In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985.

(e) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505.

Sec. 128. Minnesota Statutes 1998, section 103G.271, subdivision 6, is amended to read:

Subd. 6. [WATER USE PERMIT PROCESSING FEE.] (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;
  - (2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
  - (3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;
  - (4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
  - (5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
  - (6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
  - (7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
  - (8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and
  - (9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.
- (b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:
- (1) for nonprofit corporations and school districts, 15.0 cents per 1,000 gallons; and
  - (2) for all other users, 20 cents per 1,000 gallons.
- (c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$50.
- (d) For water use processing fees other than once-through cooling systems:
- (1) the fee for a city of the first class may not exceed \$175,000 per year;
  - (2) the fee for other entities for any permitted use may not exceed:
    - (i) \$35,000 per year for an entity holding three or fewer permits;
    - (ii) \$50,000 per year for an entity holding four or five permits;
    - (iii) \$175,000 per year for an entity holding more than five permits;
  - (3) the fee for agricultural irrigation may not exceed \$750 per year;
  - (4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam; and
  - (5) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.
- (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is \$10 for years in which:

- (1) there is no appropriation of water under the permit; or
- (2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

~~(g) For once-through systems fees payable after July 1, 1993, 75 percent of the fees must be credited to a special account and are appropriated to the Minnesota public facilities authority for loans under section 446A.21.~~

Sec. 129. [103G.705] [STREAM PROTECTION AND IMPROVEMENT LOAN PROGRAM.]

Subdivision 1. [LOAN PROGRAM.] (a) A political subdivision may apply to the commissioner on forms provided by the commissioner for a loan for up to 90 percent of the total local cost of a project to protect or improve a stream. The commissioner shall apportion loans according to the potential for prevention of immediate harm to the stream, the relative need for maintenance or improvements, the date of the application for the loan, and the availability of funds.

(b) By January 15 of each year, the commissioner must provide the legislature with a list of all applications received by the commissioner, the loan amounts requested, and a listing and explanation of the disposition of the applications.

(c) The commissioner must make the loan to the political subdivision in the amount determined by the commissioner and under the terms specified in this section. Loans made under this section do not require the approval of the electors of the political subdivision as provided in section 475.58 and do not constitute net debt for purposes of section 475.53 or any debt limitation provision of any special law or city charter.

(d) A loan made under this section must be repaid without interest over a period not to exceed ten years. The commissioner may charge an annual administrative fee to the political subdivision.

(e) A political subdivision receiving a loan made under this section must levy for the loan repayment beginning in the year the loan proceeds are received and succeeding years until the loan and the associated administrative costs are repaid. The levy must be for:

- (1) the amount of the annual loan repayment and the associated administrative costs; or
- (2) the amount of the annual loan repayment and administrative costs less the amount the political subdivision certifies it has received from other sources for the loan repayment.

Subd. 2. [STREAM PROTECTION AND IMPROVEMENT FUND.] There is established in the state treasury a stream protection and redevelopment fund. All repayments of loans made and administrative fees assessed under subdivision 1 must be deposited in this fund. Interest earned on money in the fund accrues to the fund and money in the fund is appropriated to the commissioner of natural resources for purposes of the stream protection and redevelopment program, including costs incurred by the commissioner to establish and administer the program.

Sec. 130. Minnesota Statutes 1998, section 115.55, subdivision 5a, is amended to read:

Subd. 5a. [INSPECTION CRITERIA FOR EXISTING SYSTEMS.] (a) An inspection of an existing system must evaluate the criteria in paragraphs (b) to ~~(h)~~ (j).

(b) If the inspector finds one or more of the following conditions:

- (1) sewage discharge to surface water;
- (2) sewage discharge to ground surface;

(3) sewage backup; or

(4) any other situation with the potential to immediately and adversely affect or threaten public health or safety,

then the system constitutes an imminent threat to public health or safety and, if not repaired, must be upgraded, replaced, or its use discontinued within ten months of receipt of the notice described in subdivision 5b, or within a shorter period of time if required by local ordinance.

(c) An existing system that has none of the conditions in paragraph (b), and has at least two feet of soil separation need not be upgraded, repaired, replaced, or its use discontinued, notwithstanding any local ordinance that is more restrictive.

(d) Paragraph (c) does not apply to systems in shoreland areas regulated under sections 103F.201 to 103F.221, wellhead protection areas as defined in section 103L.005, or those used in connection with food, beverage, and lodging establishments regulated under chapter 157.

(e) If the local unit of government with jurisdiction over the system has adopted an ordinance containing local standards pursuant to subdivision 7, the existing system must comply with the ordinance. If the system does not comply with the ordinance, it must be upgraded, replaced, or its use discontinued according to the ordinance.

(f) If a seepage pit, drywell, cesspool, or leaching pit exists and the local unit of government with jurisdiction over the system has not adopted local standards to the contrary, the system is failing and must be upgraded, replaced, or its use discontinued within the time required by subdivision 3 or local ordinance.

(g) If the system fails to provide sufficient groundwater protection, then the local unit of government or its agent shall order that the system be upgraded, replaced, or its use discontinued within the time required by rule or the local ordinance.

(h) The authority to find a threat to public health under section 145A.04, subdivision 8, is in addition to the authority to make a finding under paragraphs (b) to (d).

(i) Local inspectors must use the standard inspection form provided by the agency. The inspection information required by local ordinance may be included as an attachment to the standard form. The following language must appear on the standard form: "If an existing system is not failing as defined in law, and has at least two feet of design soil separation, then the system need not be upgraded, repaired, replaced, or its use discontinued, notwithstanding any local ordinance that is more strict. This does not apply to systems in shoreland areas, wellhead protection areas, or those used in connection with food, beverage, and lodging establishments as defined in law."

(j) For the purposes of this subdivision, an "existing system" means a functioning system installed prior to April 1, 1996.

Sec. 131. Minnesota Statutes 1998, section 115A.02, is amended to read:

115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of this chapter to protect the state's land, air, water, and other natural resources and the public health by improving waste management in the state to serve the following purposes:

(1) reduction in the amount and toxicity of waste generated;

(2) separation and recovery of materials and energy from waste;

(3) reduction in indiscriminate dependence on disposal of waste;

(4) coordination of solid waste management among political subdivisions; and

(5) orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream and thereby protect the state's land, air, water, and other natural resources and the public health. The following waste management practices are in order of preference:

- (1) waste reduction and reuse;
- (2) waste recycling;
- (3) composting of yard waste and food waste;
- (4) resource recovery through mixed municipal solid waste composting or incineration; and
- (5) land disposal which produces no measurable methane gas or which involves the retrieval of methane gas as a fuel for the production of energy to be used on-site or for sale; and
- (6) land disposal which produces measurable methane and which does not involve the retrieval of methane gas as a fuel for the production of energy to be used on-site or for sale.

Sec. 132. Minnesota Statutes 1998, section 115A.908, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF REVENUE.] Revenue collected shall be credited to the motor vehicle transfer account in the environmental fund. As cash flow permits, the commissioner of finance must transfer (1) \$3,200,000 each fiscal year from the motor vehicle transfer account to the environmental response, compensation, and compliance account established in section 115B.20; and (2) \$1,200,000 each fiscal year from the motor vehicle transfer account to the general fund.

Sec. 133. Minnesota Statutes 1998, section 115B.39, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to 115B.445, except as specifically modified in this subdivision.

(b) "Cleanup order" means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the federal Superfund Act.

(c) "Closure" means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. "Closure" includes removing contaminated equipment and liners; applying final cover; grading and seeding final cover; installing wells, borings, and other monitoring devices; constructing groundwater and surface water diversion structures; and installing gas control systems and site security systems, as necessary. The commissioner may authorize use of final cover that includes processed materials that meet the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Closure upgrade" means construction activity that will, at a minimum, modify an existing cover so that it satisfies current rule requirements for mixed municipal solid waste land disposal facilities.

(e) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(f) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(g) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(h) "Dump materials" means nonhazardous mixed municipal solid wastes disposed at a Minnesota waste disposal site other than a qualified facility prior to 1973.

(i) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar cleanup-related activities.

(j) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

(k) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

(l) "Qualified facility" means a mixed municipal solid waste disposal facility as described in the most recent agency permit, including adjacent property used for solid waste disposal that did not occur under a permit from the agency, that:

(1)(i) is or was permitted by the agency;

(2) (ii) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(3) (iii) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited; or

(2)(i) is or was permitted by the agency; and

(ii) stopped accepting waste by January 1, 2000, except that demolition debris, industrial waste, and municipal solid waste combustor ash may be accepted until January 1, 2001, at a permitted area where disposal of such waste is allowed, if the area where the waste is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited.

Sec. 134. Minnesota Statutes 1998, section 115B.40, subdivision 2, is amended to read:

Subd. 2. [PRIORITY LIST.] (a) The commissioner shall establish a priority list for preventing or responding to releases of hazardous substances, pollutants and contaminants, or decomposition gases at qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1). The commissioner shall periodically revise the list to reflect changing conditions at facilities that affect priority for response actions. The initial priority list must be established by January 1, 1995.

(b) The priority list required under this subdivision must be based on the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, and the potential for destruction of sensitive ecosystems.

Sec. 135. Minnesota Statutes 1998, section 115B.40, subdivision 3, is amended to read:

Subd. 3. [NOTIFICATION.] By September 1, 1994, the commissioner shall notify the owner or operator of, and persons subject to a cleanup order at, each qualified facility defined in section 115B.39, subdivision 2, paragraph (1), clause (1), of whether the requirements of subdivision 4 or 5 have been met. If the requirements have not been met at a facility, the commissioner, by the earliest practicable date, shall notify the owner or operator and persons subject to a cleanup order of what actions need to be taken.

Sec. 136. Minnesota Statutes 1998, section 115B.40, subdivision 4, is amended to read:

Subd. 4. [QUALIFIED FACILITY NOT UNDER CLEANUP ORDER; DUTIES.] (a) The owner or operator of a qualified facility that is not subject to a cleanup order shall:



(1) complete closure activities at the facility, or enter into a binding agreement with the commissioner to do so, as provided in paragraph ~~(d)~~ (e), within one year from the date the owner or operator is notified by the commissioner under subdivision 3 of the closure activities that are necessary to properly close the facility in compliance with facility's permit, closure orders, or enforcement agreement with the agency, and with the solid waste rules in effect at the time the facility stopped accepting waste;

(2) undertake or continue postclosure care at the facility until the date of notice of compliance under subdivision 7;

(3) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), transfer to the commissioner of revenue for deposit in the solid waste fund established in section 115B.42 any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure care and response action undertaken by the owner or operator at the facility including, if proof of financial responsibility is provided through a letter of credit or other financial instrument or mechanism that does not accumulate money in an account, the amount that would have accumulated had the owner or operator utilized a trust fund, less any amount used for closure, postclosure care, and response action at the facility; and

(4) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (2), transfer to the commissioner of revenue for deposit in the solid waste fund established in section 115B.42 an amount of cash that is equal to the sum of their approved current contingency action cost estimate and the present value of their approved estimated remaining postclosure care costs required for proof of financial responsibility under section 116.07, subdivision 4h.

(b) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), provide the commissioner with a copy of all applicable comprehensive general liability insurance policies and other liability policies relating to property damage, certificates, or other evidence of insurance coverage held during the life of the facility; and

(5) (2) enter into a binding agreement with the commissioner to:

(i) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), take any actions necessary to preserve the owner or operator's rights to payment or defense under insurance policies included in clause (4) (1); cooperate with the commissioner in asserting claims under the policies; and, within 60 days of a request by the commissioner, but no earlier than July 1, 1996, assign only those rights under the policies related to environmental response costs;

(ii) cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional environmental response actions necessary to address releases or threatened releases and to avoid any action that interferes with environmental response actions, including allowing entry to the property and to the facility's records and allowing entry and installation of equipment; and

(iii) refrain from developing or altering the use of property described in any permit for the facility except after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property, including use restrictions, to protect public health and welfare and the environment.

(b) (c) The owner or operator of a qualified facility defined in section 115B.39, subdivision 2, paragraph (1), clause (1), that is a political subdivision may use a portion of any funds established for response at the facility, which are available directly or through a financial instrument or other financial arrangement, for closure or postclosure care at the facility if funds available for closure or postclosure care are inadequate and shall assign the rights to any remainder to the commissioner.

~~(e)~~ (d) The agreement required in paragraph ~~(a)~~ (b), clause ~~(5)~~ (2), must be in writing and must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

~~(d)~~ (e) A binding agreement entered into under paragraph (a), clause (1), may include a provision that the owner or operator will reimburse the commissioner for the costs of closing the facility to the standard required in that clause.

Sec. 137. Minnesota Statutes 1998, section 115B.40, subdivision 5, is amended to read:

Subd. 5. [QUALIFIED FACILITY UNDER CLEANUP ORDER; DUTIES.] (a) For a qualified facility that is subject to a cleanup order, persons identified in the order shall complete construction of the remedy required under the cleanup order and:

(1) for a federal order, receive a concurrent determination of the United States Environmental Protection Agency and the agency or commissioner that the remedy is functioning properly and is performing as designed; or

(2) for a state order, receive acknowledgment from the agency or commissioner that the obligations under the order for construction of the remedy have been met.

(b) The owner or operator of a qualified facility that is subject to a cleanup order, in addition to any applicable requirement in paragraph (a), shall comply with subdivision 4, ~~paragraph~~ paragraphs (a), ~~clauses~~ clause (3) ~~to~~ ~~(5)~~ or (4); and (b).

Sec. 138. Minnesota Statutes 1998, section 115B.40, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER; DUTIES.] (a) If the owner or operator of a qualified facility that is subject to the requirements of subdivision 4, paragraph (a), fails to comply with subdivision 4, paragraph (a), clause (1) or (2), the commissioner shall:

(1) undertake or complete closure activities at the facility in compliance with the solid waste rules in effect at the time the commissioner takes action under this clause; and

(2) undertake or continue postclosure care at the facility as required under subdivision 2.

(b) If a facility has been properly closed under subdivision 4, but the applicable closure requirements are less environmentally protective than closure requirements in the solid waste rules in effect on January 1, 1993, the commissioner shall determine whether the facility should be closed to the higher standards and, if so, shall undertake additional closure activities at the facility to meet those standards. The commissioner may determine that additional closure activities are unnecessary only if it is likely that response actions will be taken in the near future and that those response actions will result in removal or significant alteration of the closure activities or render the closure activities unnecessary.

Sec. 139. Minnesota Statutes 1998, section 115B.40, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF COMPLIANCE; EFFECTS.] (a) The commissioner shall provide written notice of compliance to the appropriate owner or operator or person subject to a cleanup order when:

(1) the commissioner determines that the requirements of subdivision 4 or 5 have been met; and

(2) the person who will receive the notice has submitted to the commissioner a written waiver of any claims the person may have against any other person for recovery of any environmental response costs related to a qualified facility that were incurred prior to the date of notice of compliance.

(b) Beginning on the date of the notice of compliance:

(1) the commissioner shall assume all obligations of the owner or operator or person for

environmental response actions under the federal Superfund Act and any federal or state cleanup orders and shall undertake all further action under subdivision 1 at or related to the facility that the commissioner deems appropriate and in accordance with the priority list; and

(2) the commissioner may not seek recovery against the owner or operator of the facility or any responsible person of any costs incurred by the commissioner for environmental response action at or related to the facility, except:

(i) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), to the extent of insurance coverage held by the owner or operator or responsible person; or

(ii) as provided in section 115B.402.

(c) The commissioner and the attorney general shall communicate with the United States Environmental Protection Agency addressing the manner and procedure for the state's assumption of federal obligations under paragraph (b), clause (1).

Sec. 140. Minnesota Statutes 1998, section 115B.40, subdivision 8, is amended to read:

Subd. 8. [STATUTES OF LIMITATIONS.] (a) With respect to claims for recovery of environmental response costs related to qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), the running of all applicable periods of limitation under state law is suspended until July 1, 2004.

(b) A waiver of claims for recovery of environmental response costs under this section or section 115B.43 is extinguished for that portion of reimbursable costs under section 115B.43 that have not been reimbursed by July 1, 2004.

Sec. 141. Minnesota Statutes 1998, section 115B.405, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The owner or operator of a qualified facility may apply to the commissioner for exclusion from the landfill cleanup program under sections 115B.39, 115B.40, 115B.41, 115B.412, and 115B.43. Applications for qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), must be received by the commissioner by February 1, 1995. Applications for qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (2), must be received by the commissioner by December 31, 1999. The owner or operator of a qualified facility that is subject to a federal cleanup order or that includes any portion that is tax-forfeited may not apply for exclusion under this section. In addition to other information required by the commissioner, an application must include a disclosure of all financial assurance accounts established for the facility. Applications for exclusion must:

(1) show that the operator or owner is complying with the agency's rules adopted under section 116.07, subdivision 4h, and is complying with a financial assurance plan for the facility that the commissioner has approved after determining that the plan is adequate to provide for closure, postclosure care, and contingency action;

(2) demonstrate that the facility is closed or is in compliance with a closure schedule approved by the commissioner; and

(3) include a waiver of all claims for recovery of costs incurred under sections 115B.01 to 115B.24 and the federal Superfund Act at or related to a qualified facility.

Sec. 142. Minnesota Statutes 1998, section 115B.42, is amended to read:

115B.42 [SOLID WASTE FUND.]

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) The solid waste fund is established in the state treasury. The fund consists of money credited to the fund and interest earned on the money in the fund. Except as provided in subdivision 2, clause clauses (7) and (8), money in the fund is annually appropriated to the commissioner for the purposes listed in subdivision 2.

(b) The commissioner of finance shall separately account for revenue deposited in the fund from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue.

Subd. 2. [EXPENDITURES.] (a) Money in the fund may be spent by the commissioner to:

- (1) inspect permitted mixed municipal solid waste disposal facilities to:
  - (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
  - (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and
  - (iii) determine the boundaries of fill areas;
- (2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;
- (3) acquire and dispose of property under section 115B.412, subdivision 3;
- (4) recover costs under section 115B.39;
- (5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.445;
- (6) enforce sections 115B.39 to 115B.445;
- (7) subject to appropriation, administer the agency's groundwater and solid waste management programs;
- (8) pay for private water supply well monitoring and health assessment costs of the commissioner of health in areas affected by unpermitted mixed municipal solid waste disposal facilities;
- (9) reimburse persons under section 115B.43; ~~and~~
- ~~(9)~~ (10) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414; and
- (11) perform environmental assessments, up to \$1,000,000, at unpermitted mixed municipal solid waste disposal facilities.

Sec. 143. [115B.421] [CLOSED LANDFILL INVESTMENT FUND.]

The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund, and interest and other earnings on money in the fund. The commissioner of finance shall transfer an initial amount of \$5,100,000 from the balance in the solid waste fund beginning in fiscal year 2000 and shall continue to transfer \$5,100,000 for each following fiscal year, ceasing after 2003. The fund shall be managed to maximize long-term gain through the state board of investment. Money in the fund may be spent by the commissioner after fiscal year 2020 in accordance with section 115B.42, subdivision 2, clauses (1) to (6).

Sec. 144. Minnesota Statutes 1998, section 115B.43, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Environmental response costs at qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), for which a notice of compliance has been issued under section 115B.40, subdivision 7, are reimbursable as provided in this section.

Sec. 145. Minnesota Statutes 1998, section 115B.442, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITION OF QUALIFIED FACILITIES.] For the purposes of sections

115B.441 to 115B.445, "qualified facility" means only those qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1).

Sec. 146. Minnesota Statutes 1998, section 116.07, subdivision 7, is amended to read:

Subd. 7. [COUNTIES; PROCESSING OF APPLICATIONS FOR ANIMAL LOT PERMITS.] Any Minnesota county board may, by resolution, with approval of the pollution control agency, assume responsibility for processing applications for permits required by the pollution control agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the pollution control agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the pollution control agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the pollution control agency. The pollution control agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The pollution control agency shall work with the Minnesota extension service, the department of agriculture, the board of water and soil resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The pollution control agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. These rules apply both to permits issued by counties and to permits issued by the pollution control agency directly.

(h) The pollution control agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) ~~After May 17, 1997,~~ Any new rules or amendments to existing rules proposed under the

authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in pollution control agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

Sec. 147. Minnesota Statutes 1998, section 116.072, is amended by adding a subdivision to read:

Subd. 13. [FEEDLOT ADMINISTRATIVE PENALTY ORDERS.] (a) Prior to the commissioner proposing an administrative penalty order to a feedlot operator for a violation of feedlot laws or rules, the agency staff who will determine if a penalty is appropriate and who will determine the size of the penalty shall offer to meet with the feedlot operator to discuss the violation, and to allow the feedlot operator to present any information that may affect any agency decisions on the administrative penalty order.

(b) For serious feedlot law violations for which an administrative penalty order is issued under this section, the penalty may be forgiven if:

- (1) the abated penalty is used for environmental improvements to the farm; and
- (2) the commissioner determines that the violation has been corrected or that appropriate steps are being taken to correct the action.

Sec. 148. Minnesota Statutes 1998, section 116.073, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE.] Pollution control agency staff designated by the commissioner and department of natural resources conservation officers may issue citations to a person who:

(1) disposes of solid waste as defined in section 116.06, subdivision 22, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property;

(2) fails to report or recover oil or hazardous substance discharges as required under section 115.061; or

(3) fails to take discharge preventive or preparedness measures required under chapter 115E. In addition, pollution control agency staff designated by the commissioner may issue citations to owners and operators of facilities dispensing petroleum products who violate sections 116.46 to 116.50 and Minnesota Rules, ~~chapter~~ chapters 7150 and 7151, and Minnesota Rules, parts 7001.4200 to 7001.4300. The citations for violation of sections 116.46 to 116.50 and Minnesota Rules, chapter 7150, may be issued only after the owners and operators have had a 90-day period to correct all the violations stated in a letter issued previously by pollution control agency staff. A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose of or otherwise manage the waste or discharged oil or hazardous substance, reimburse any government agency that has disposed of the waste or discharged oil or hazardous substance and contaminated debris for the reasonable costs of disposal, or correct any underground storage tank violations.

Sec. 149. Minnesota Statutes 1998, section 116.073, subdivision 2, is amended to read:

Subd. 2. [PENALTY AMOUNT.] The citation must impose the following penalty amounts:

(1) \$100 per major appliance, as defined in section 115A.03, subdivision 17a, up to a maximum of \$2,000;

(2) \$25 per waste tire, as defined in section 115A.90, subdivision 11, up to a maximum of \$2,000;

(3) \$25 per lead acid battery governed by section 115A.915, up to a maximum of \$2,000;

(4) \$1 per pound of other solid waste or \$20 per cubic foot up to a maximum of \$2,000;

(5) up to \$200 for any amount of waste that escapes from a vehicle used for the transportation of solid waste if, after receiving actual notice that waste has escaped the vehicle, the person or company transporting the waste fails to immediately collect the waste;

(6) \$50 per violation of rules adopted under section 116.49, relating to underground storage tank system design, construction, installation, and notification requirements, up to a maximum of \$2,000;

(7) \$250 per violation of rules adopted under section 116.49, relating to upgrading of existing underground storage tank systems, up to a maximum of \$2,000;

(8) \$100 per violation of rules adopted under section 116.49, relating to underground storage tank system general operating requirements, up to a maximum of \$2,000;

(9) \$250 per violation of rules adopted under section 116.49, relating to underground storage tank system release detection requirements, up to a maximum of \$2,000;

(10) \$50 per violation of rules adopted under section 116.49, relating to out-of-service underground storage tank systems and closure, up to a maximum of \$2,000; and

(11) \$50 per violation of sections 116.48 to 116.491 relating to underground storage tank system notification, monitoring, environmental protection, and tank installers training and certification requirements, up to a maximum of \$2,000;

(12) \$25 per gallon of oil or hazardous substance discharged which is not reported or recovered under section 115.061, up to a maximum of \$2,000;

(13) \$1 per gallon of oil or hazardous substance being stored, transported, or otherwise handled without the prevention or preparedness measures required under chapter 115E, up to a maximum of \$2,000; and

(14) \$250 per violation of Minnesota Rules, parts 7001.4200 to 7001.4300, or Minnesota Rules, chapter 7151, related to aboveground storage tank systems, up to a maximum of \$2,000.

Sec. 150. [116.915] [MERCURY REDUCTION.]

Subdivision 1. [GOAL.] It is the goal of the state to reduce mercury contamination by reducing the release of mercury into the air and water of the state by 60 percent from 1990 levels by December 31, 2000, and by 70 percent from 1990 levels by December 31, 2005. The goal applies to the statewide total of releases from existing and new sources of mercury. The commissioner shall publish updated estimates of 1990 releases in the State Register.

Subd. 2. [REDUCTION STRATEGIES.] The commissioner shall implement the strategies recommended by the mercury contamination reduction initiative advisory council and identified on pages 31 to 42 of the Minnesota pollution control agency's report entitled "Report on the Mercury Contamination Reduction Initiative Advisory Council's Results and Recommendations" as transmitted to the legislature by the commissioner's letter dated March 15, 1999. The commissioner shall solicit, by July 1, 1999, voluntary reduction agreements from sources that emit more than 50 pounds of mercury per year.

Subd. 3. [PROGRESS REPORTS.] The commissioner, in cooperation with the director of the office of environmental assistance, shall submit progress reports to the legislature on October 15, 2001, and October 15, 2005. The reports shall address the state's success in meeting the mercury release reduction goals of subdivision 1, and discuss whether different voluntary or mandatory reduction strategies are needed. The reports shall also discuss whether the reduction goals are still appropriate given the most recent information regarding mercury risks.

Sec. 151. Minnesota Statutes 1998, section 156.001, subdivision 2, is amended to read:

Subd. 2. [ACCREDITED OR APPROVED COLLEGE OF VETERINARY MEDICINE.] "Accredited or approved college of veterinary medicine" means a veterinary college or division of a university or college that offers the degree of doctor of veterinary medicine or its equivalent and that conforms to the standards required for accreditation or approval by the American Veterinary Medical Association Council on Education.

Sec. 152. Minnesota Statutes 1998, section 156.001, subdivision 3, is amended to read:

Subd. 3. [ANIMAL.] "Animal" does not include poultry or birds of any kind.

Sec. 153. Minnesota Statutes 1998, section 156.001, is amended by adding a subdivision to read:

Subd. 5a. [FIRM.] "Firm" includes a corporation, limited liability company, and limited liability partnership, wherever incorporated, organized, or registered.

Sec. 154. Minnesota Statutes 1998, section 156.01, subdivision 3, is amended to read:

Subd. 3. [OFFICERS.] The board shall elect from its number a president and such other officers as are necessary, all from within its membership. One person may hold the offices of both secretary and treasurer. The board shall have a seal and the power to subpoena witnesses, to administer oaths, and take testimony. It shall make, alter, or amend such rules as may be that are necessary to carry this chapter into effect the provisions of this chapter. It shall hold examinations for applicants for license to engage in veterinary practice at a time and place of its own choosing. Notice of such an examination shall must be posted 90 days before the date set for an the examination in all veterinary schools approved by the board in the state, and shall must be published in the journal of the American Veterinary Medical Association. American Association of Veterinary State Boards "Directory of Veterinary Licensure Requirements." The board may hold such other meetings as it deems necessary; but no meeting shall exceed three days duration.

Sec. 155. Minnesota Statutes 1998, section 156.02, subdivision 1, is amended to read:

Subdivision 1. [LICENSE APPLICATION.] Application for a license to practice veterinary medicine in this state shall be made in writing to the board of veterinary medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of age, is of good moral character, and has one of the following:

(1) a diploma conferring the degree of doctor of veterinary medicine, or an equivalent degree, from an accredited or approved college of veterinary medicine;

(2) an ECFVG certificate; or

(3) a certificate from the dean of an accredited or approved college of veterinary medicine stating that the applicant is a student in good standing expecting to be graduated at the completion of the current academic year of the college in which the applicant is enrolled.

The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the board at least 45 60 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 156. Minnesota Statutes 1998, section 156.02, subdivision 2, is amended to read:



Subd. 2. [REQUIRED WITH APPLICATION.] Every application shall contain the following information and material:

(1) the application fee set by the board in the form of a check or money order payable to the board, which fee is not returnable in the event permission to take the examination is denied for good cause;

(2) a copy of a diploma from an accredited or approved college of veterinary medicine or a certificate from the dean or secretary of an accredited or approved college of veterinary medicine showing the time spent in the school and the date when the applicant was duly and regularly graduated or will duly and regularly graduate or verification of ECFVG certification;

(3) affidavits of at least two veterinarians and three adults who are not related to the applicant setting forth how long a time, when, and under what circumstances they have known the applicant, and any other facts as may be proper to enable the board to determine the qualifications of the applicant; and

(4) if the applicant has served in the armed forces, a copy of discharge papers.

Sec. 157. Minnesota Statutes 1998, section 156.03, is amended to read:

156.03 [EXAMINATION; PAYMENT.]

~~Upon filing the application and any other papers, affidavits, or proof that the board of veterinary medicine may require, together with the payment to the board of a fee as set by the board, the board, if satisfied, shall issue to the applicant for license an order for examination. Every applicant for a license shall submit to a theoretical or practical examination, or both, as designated by the board. The examination may be oral, or written, or both of the application fee and appropriate examination fee as set by the board, the board shall issue to the applicant a permit to take the national examination in veterinary medicine and the Minnesota Veterinary Jurisprudence Examination. All applicants must be evaluated using an examination prescribed by the board. A passing score for the national examination must be the criterion referenced passing score as determined by the National Board Examination Committee.~~

Sec. 158. Minnesota Statutes 1998, section 156.072, is amended to read:

156.072 [NONRESIDENTS; LICENSES.]

~~Subdivision 1. [APPLICATION.] A doctor of veterinary medicine duly admitted to practice in any of the other states or territories or District of Columbia state, commonwealth, territory, or district of the United States or province of Canada desiring permission to practice veterinary medicine in this state shall submit an application to the board upon forms prescribed by the board. Upon proof of licensure to practice in any other state or territory or in the District of Columbia United States or Canadian jurisdiction and having been actively engaged in practicing veterinary medicine therein, for at least three of the five years next preceding the application, or having been engaged in full time teaching of veterinary medicine in an approved or accredited college for at least three of the five years next preceding the application, or any combination thereof, the national examination in veterinary medicine may be waived, upon the recommendation of the board, and the applicant be admitted to practice without examination. However, the board may impose any other tests as examinations it considers proper.~~

Subd. 2. [REQUIRED WITH APPLICATION.] Such doctor of veterinary medicine shall accompany the application by the following:

(1) a copy of a diploma from an accredited or approved college of veterinary medicine or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary medicine attesting to the applicants graduation from an accredited or approved college of veterinary medicine, or a certificate of satisfactory completion of the ECFVG program.

(2) affidavits of two licensed practicing doctors of veterinary medicine of the state, territory or District of Columbia so certifying residing in the United States or Canadian licensing jurisdiction

in which the applicant is currently practicing, attesting that they are well acquainted with such the applicant, that the applicant is a person of good moral character, and has been actively engaged in practicing or teaching as the case may be in such state, territory, or District of Columbia jurisdiction for the period above prescribed;

~~(2)~~ (3) a certificate from the regulatory agency having jurisdiction over the conduct of practice of veterinary medicine that such applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

~~(3)~~ (4) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action; and

~~(4)~~ (5) in lieu of clauses (3) and (4), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

~~(6)~~ a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

~~(7)~~ score reports on previously taken national examinations in veterinary medicine, certified by the Veterinary Information Verification Agency; and

~~(8)~~ if requesting waiver of examination, provide evidence of meeting licensure requirements in the state of the applicant's original licensure that were substantially equal to the requirements for licensure in Minnesota in existence at that time.

Subd. 3. [EXAMINATION.] A doctor of veterinary medicine duly admitted to practice in any ~~of the other states or territories or in the District of Columbia state, commonwealth, territory, or district of the United States or province of Canada~~ desiring admission to practice in this state but who has not been actively engaged in the practice thereof for at least three of the preceding five years must be examined for admission in accordance with the requirements prescribed herein for those not admitted to practice anywhere.

Subd. 4. [TEMPORARY PERMIT.] The board may issue without examination a temporary permit to practice veterinary medicine in this state to a person who has submitted an application approved by the board for license pending examination, and holds a doctor of veterinary medicine degree or an equivalent degree from an approved or accredited ~~veterinary college of veterinary medicine or an ECFVG certification.~~ The temporary permit shall expire the day after publication of the notice of results of the first examination given after the permit is issued. No temporary permit may be issued to any applicant who has previously failed the ~~national examination in this state or in any other state, territory, or district of the United States or a foreign country~~ and is currently not licensed in any licensing jurisdiction of the United States or Canada or to any person whose license has been revoked or suspended or who is currently subject to a disciplinary order in any licensing jurisdiction of the United States or Canada.

Sec. 159. [156.074] [TEMPORARY LICENSE.]

A graduate of a nonaccredited or approved college of veterinary medicine, who has satisfactorily completed the fourth year of clinical study at an approved or accredited college of veterinary medicine and has successfully passed the national examination in veterinary medicine and the Minnesota Veterinary Jurisprudence Examination, and is enrolled in the ECFVG program, may be granted a temporary license. The holder of a temporary license issued under these provisions must practice under the supervision of a Minnesota licensed veterinarian. The temporary license is valid until the candidate obtains ECFVG certification or for a maximum of two years from the date of issue.

Sec. 160. Minnesota Statutes 1998, section 156.10, is amended to read:

156.10 [UNLAWFUL PRACTICE WITHOUT LICENSE OR PERMIT; GROSS MISDEMEANOR.]

~~It shall be unlawful~~ is a gross misdemeanor for any person to practice veterinary medicine in the state without having first secured a veterinary license or temporary permit, as provided in this chapter, ~~and any person violating the provisions of this section shall be guilty of a gross misdemeanor and punished therefor according to the laws of the state.~~

Sec. 161. Minnesota Statutes 1998, section 156.11, is amended to read:

156.11 [~~CORPORATIONS~~ FIRMS NOT TO PRACTICE.]

(a) ~~It shall be~~ is unlawful in the state of Minnesota for any ~~corporation~~ firm, other than one organized pursuant to chapter ~~319A or 319B~~, to practice veterinary medicine, or to hold itself out or advertise itself in any way as being entitled to practice veterinary medicine, or to receive the fees, or portions of fees, or gifts or other emoluments or benefits compensation derived from the practice of veterinary medicine, or the performance of veterinary services by any person, whether ~~such~~ that person ~~be~~ is licensed to practice veterinary medicine or not. Any ~~corporation~~ firm violating the provisions of this section ~~shall be~~ is guilty of a gross misdemeanor and must be fined not more than \$3,000 for each offense, ~~and~~. Each day that this ~~chapter~~ section is violated ~~shall be considered~~ is a separate offense.

(b) Notwithstanding section 319B.08, a veterinary medical practice firm has 12 months after the death of an owner before all of the owner's ownership interest must be acquired by the practice, by persons permitted to own the ownership interest, or by some combination.

Sec. 162. Minnesota Statutes 1998, section 156.12, subdivision 2, is amended to read:

Subd. 2. [~~AUTHORIZED ACTIVITIES.~~] No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and ~~treating~~ administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians employed by the University of Minnesota from performing their duties with the college of veterinary medicine, college of agriculture, agricultural experiment station, agricultural extension service, medical school, school of public health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG certificate.

Sec. 163. Minnesota Statutes 1998, section 156.12, subdivision 4, is amended to read:

Subd. 4. [TITLES.] It shall be unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, or ECFVG certification, to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 164. Minnesota Statutes 1998, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this section:

(1) "Prior impaired driving conviction" means a prior conviction under:

(i) this section; Minnesota Statutes 1996, section 84.91, subdivision 1, paragraph (a), or 86B.331, subdivision 1, paragraph (a); section 169.1211; section 169.129; or section 360.0752;

(ii) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); or

(iii) an ordinance from this state, or a statute or ordinance from another state, in conformity with any provision listed in item (i) or (ii).

A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.

(2) "Prior license revocation" means a driver's license suspension, revocation, cancellation, denial, or disqualification under:

(i) this section or section 169.1211, 169.123, 171.04, 171.14, 171.16, 171.165, 171.17, or 171.18 because of an alcohol-related incident;

(ii) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); or

(iii) an ordinance from this state, or a statute or ordinance from another state, in conformity with any provision listed in item (i) or (ii).

"Prior license revocation" also means the revocation of snowmobile or all-terrain vehicle operating privileges under section 84.911, or motorboat operating privileges under section 86B.335, for violations that occurred on or after August 1, 1995 1994; the revocation of snowmobile or all-terrain vehicle operating privileges under section 84.91; or the revocation of motorboat operating privileges under section 86B.331.

(b) A person who violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a, or an ordinance in conformity with any of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1, clause (f);

(2) the person violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a, within five years of a prior impaired driving conviction or a prior license revocation;

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 or 1a while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

A person convicted of a gross misdemeanor under this paragraph is subject to the mandatory penalties provided in subdivision 3d.

(d) A person is guilty of an enhanced gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1, clause (f), or commits a violation described in paragraph (c), clause (3) or (4), within ten years of one or more prior impaired driving convictions or prior license revocations;

(2) the person violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a, within ten years of the first of two or more prior impaired driving convictions, two or more prior license revocations, or any combination of two or more prior impaired driving convictions and prior license revocations, based on separate incidents.

A person convicted of an enhanced gross misdemeanor under this paragraph may be sentenced to imprisonment in a local correctional facility for not more than two years or to payment of a fine of not more than \$3,000, or both. Additionally, the person is subject to the applicable mandatory penalties provided in subdivision 3e.

(e) The court shall notify a person convicted of violating subdivision 1 or 1a that the registration plates of the person's motor vehicle may be impounded under section 168.042 and the vehicle may be subject to forfeiture under section 169.1217 upon a subsequent conviction for violating this section, section 169.129, or section 171.24, or a subsequent license revocation under section 169.123. The notice must describe the conduct and the time periods within which the conduct must occur in order to result in plate impoundment or forfeiture. The failure of the court to provide this information does not affect the applicability of the plate impoundment or the forfeiture provision to that person.

(f) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor and enhanced gross misdemeanor violations of this section.

(g) The court must impose consecutive sentences when it sentences a person for a violation of this section or section 169.129 arising out of separate behavioral incidents. The court also must impose a consecutive sentence when it sentences a person for a violation of this section or section 169.129 and the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of this section or section 169.129 and the prior sentence involved a separate behavioral incident. The court also may order that the sentence imposed for a violation of this section or section 169.129 shall run consecutively to a previously imposed misdemeanor, gross misdemeanor, or felony sentence for a violation other than this section or section 169.129.

(h) When the court stays the sentence of a person convicted under this section, the length of the stay is governed by section 609.135, subdivision 2.

(i) The court may impose consecutive sentences for offenses arising out of a single course of conduct as permitted in section 609.035, subdivision 2.

(j) When an attorney responsible for prosecuting gross misdemeanors or enhanced gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

(k) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred.

Sec. 165. Minnesota Statutes 1998, section 169.1217, subdivision 9, is amended to read:

Subd. 9. [DISPOSITION OF FORFEITED VEHICLE.] (a) If the vehicle is administratively forfeited under subdivision 7a, or if the court finds under subdivision 8 that the vehicle is subject to forfeiture under subdivisions 6 and 7, the appropriate agency shall:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use by the agency's officers who participate in the drug abuse resistance education program.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the treasury of the political subdivision that employs the appropriate agency responsible for the forfeiture for use in DWI-related enforcement, training and education. If the appropriate agency is an agency of state government, the net proceeds must be forwarded to the state treasury and credited to the general fund.

~~(c) The proceeds from the sale of forfeited off-road recreational vehicles and motorboats, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the state treasury and credited to the following funds:~~

(1) if the forfeited vehicle is a motorboat, the net proceeds must be credited to the water recreation account in the natural resources fund;

(2) if the forfeited vehicle is a snowmobile, the net proceeds must be credited to the snowmobile trails and enforcement account in the natural resources fund;

(3) if the forfeited vehicle is an all-terrain vehicle, the net proceeds must be credited to the all-terrain vehicle account in the natural resources fund;

(4) if the forfeited vehicle is an off-highway motorcycle, the net proceeds must be credited to the off-highway motorcycle account in the natural resources fund;

(5) if the forfeited vehicle is an off-road vehicle, the net proceeds must be credited to the off-road vehicle account in the natural resources fund; and

(6) if otherwise, the net proceeds must be credited to the general fund.

Sec. 166. Minnesota Statutes 1998, section 169.123, subdivision 1, is amended to read:

Subdivision 1. [PEACE OFFICER DEFINED.] For purposes of this section, section 169.121, and section 169.1211, the term peace officer means (1) a state patrol officer, (2) University of Minnesota peace officer, (3) a constable as defined in section 367.40, subdivision 3, (4) police officer of any municipality, including towns having powers under section 368.01, or county, and (5) for purposes of violations of those sections in or on an off-road recreational vehicle or motorboat, or for violations of section 97B.065 or 97B.066, a state conservation officer.

Sec. 167. Minnesota Statutes 1998, section 171.07, subdivision 12, is amended to read:

Subd. 12. [SNOWMOBILE SAFETY CERTIFICATE.] (a) The department shall maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a snowmobile safety certificate. The records transmitted from the department of natural resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a snowmobile safety certificate, the department shall include, on all drivers' licenses or Minnesota identification cards subsequently issued to the person, a graphic or written indication that the person has received the certificate.

(c) If a person who has received a snowmobile safety certificate applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and shall then follow the procedures in paragraph (b).

Sec. 168. Minnesota Statutes 1998, section 171.07, subdivision 13, is amended to read:

Subd. 13. [FIREARMS SAFETY DESIGNATION.] (a) When an applicant has a record transmitted to the department as described in paragraph (c) or presents a firearms safety certificate issued for successfully completing a firearms safety course administered under section 97B.015, voluntarily and requests a driver's license or identification card described in paragraph (b), pays the required fees, and otherwise qualifies, the department shall issue, renew, or reissue to the applicant a driver's license or Minnesota identification card described in paragraph (b).

(b) Pursuant to paragraph (a), the department shall issue a driver's license or Minnesota identification card bearing a designation or symbolic representation, as designed by the commissioner in consultation with the commissioner of natural resources, indicating graphic or written indication that the applicant has successfully completed a firearms safety course and is knowledgeable in firearms safety administered under section 97B.015.

(c) The department shall maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a firearms safety certificate. The records transmitted from the department of natural resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

Sec. 169. Minnesota Statutes 1998, section 223.17, subdivision 3, is amended to read:

Subd. 3. [GRAIN BUYERS AND STORAGE FUND ACCOUNT; FEES.] The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. These fees may be adjusted pursuant to the provisions of section 16A.1285.

The fee for any license issued or renewed after June 30, 1997, shall be set according to the following schedule:

(a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;

(b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;

(c) \$300 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

(d) \$400 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$500 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund account and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.22.

Sec. 170. Minnesota Statutes 1998, section 231.16, is amended to read:

231.16 [WAREHOUSE OPERATOR TO OBTAIN LICENSE.]

Every person desiring to engage in the business of warehouse operator, before engaging therein, shall be licensed annually by, and shall be under the supervision and subject to the inspection of, the department. Written application in the form prescribed by the department shall be made to the department for license, specifying the city in which it is proposed to carry on the business of warehousing, the location, size, character, and equipment of the buildings or premises to be used by the warehouse operator, the kind of goods, wares, and merchandise intended to be stored therein, the name of the person or corporation operating the same, and of each member of

the firm or officer of the corporation, and any other facts necessary to satisfy the department that the property proposed to be used is suitable for warehouse purposes and that the warehouse operator making the application is qualified to carry on the business of warehousing. Should the department decide that the building or other property proposed to be used as a warehouse is suitable for the proposed purpose and that the applicants are entitled to a license, notice of the decision shall be given the interested parties and, upon the applicants filing with the department the necessary bond, as provided for in this chapter, the department shall issue the license provided for, upon payment of the license fee, as in this section provided. A warehouse operator to whom a license is issued shall pay for the license a fee based on the storage capacity of the warehouse as follows:

Storage capacity in square feet	
(1) 5,000 or less	\$ 80
(2) 5,001 to 10,000	\$155
(3) 10,001 to 20,000	\$250
(4) 20,001 to 100,000	\$315
(5) 100,001 to 200,000	\$410
(6) over 200,000	\$470

Fees collected under this chapter shall be paid into the grain buyers and storage ~~fund~~ account established in section 232.22.

The license shall be renewed annually on or before July 1, and always upon payment of the full license fee, as provided for in this section for such renewal; and no license shall be issued for any portion of a year for less than the full amount of the license fee, as provided for in this section. Each license obtained under this chapter shall be publicly displayed in the main office of the place of business of the warehouse operator to whom it is issued. The license shall authorize the warehouse operator to carry on the business of warehousing only in the one city or town named in the application and in the buildings therein described. The department, without requiring an additional bond and license, may issue permits from time to time to any warehouse operator already duly licensed under the provisions of this chapter to operate an additional warehouse in the same city or town for which the original license was issued during the term thereof, upon the filing an application for a permit in the form prescribed by the department.

License may be refused for good cause shown and revoked by the department for violation of law or of any rule by it prescribed, upon notice and after hearing.

Sec. 171. Minnesota Statutes 1998, section 232.22, subdivision 3, is amended to read:

Subd. 3. [FEES; GRAIN BUYERS AND STORAGE FUND ACCOUNT.] There is created in the ~~state treasury~~ agricultural fund an account known as the grain buyers and storage ~~fund~~ account. The commissioner shall set the fees for inspections, certifications and licenses under sections 232.20 to 232.25 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.25. All money collected pursuant to sections 232.20 to 232.25 and chapters 233 and 236 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage ~~fund~~ account and is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.25 and chapters 233 and 236. All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage ~~fund~~ account and is appropriated to the commissioner for the administration and enforcement of chapter 231.

Sec. 172. Minnesota Statutes 1998, section 233.08, is amended to read:

233.08 [LICENSE.]

No public terminal warehouse may be operated or receive grain for storage until the owners or parties in charge and operating the warehouse obtain a license from the department authorizing the warehouse operator to operate a warehouse under this chapter. Licenses issued or renewed annually expire at midnight on June 30 following the date of issuance or renewal. Before a license may be issued, written application must be made to the department for a license specifying the



kind of warehouse, the nature of its construction, its capacity and location, the name of the firm or corporation operating it, each member of the firm or officer of the corporation, and other facts the department requires. The department shall act on the application with reasonable dispatch. If no reason exists for refusing the application, a license must be issued upon the payment of the fee set by the commissioner. The amount of the fee must be set to cover the costs of administering and enforcing this chapter.

A license may be revoked by the department for violation of the law or a rule of the department, but may only be revoked upon a written notice or complaint specifying the charges and after a hearing before the department. A license may be refused to a warehouse operator whose license has been revoked within the preceding year.

Fees collected under this chapter must be paid into the grain buyers and storage ~~fund~~ account established in section 232.22.

Sec. 173. Minnesota Statutes 1998, section 236.02, subdivision 4, is amended to read:

Subd. 4. [FEES.] The license fee must be set by the commissioner in an amount sufficient to cover the costs of administering and enforcing this chapter. Fees collected under this chapter must be paid into the grain buyers and storage fund account established in section 232.22.

Sec. 174. Minnesota Statutes 1998, section 239.791, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM OXYGEN CONTENT REQUIRED.] Except as provided in subdivisions 10 to ~~12~~ 14, a person responsible for the product shall comply with the following requirements:

(a) After October 1, 1995, gasoline sold or offered for sale at any time in a carbon monoxide control area must contain at least 2.7 percent oxygen by weight.

(b) After October 1, 1997, all gasoline sold or offered for sale in Minnesota must contain at least 2.7 percent oxygen by weight.

Sec. 175. Minnesota Statutes 1998, section 239.791, subdivision 12, is amended to read:

Subd. 12. [EXEMPTION FOR COLLECTOR VEHICLE AND OFF-ROAD USE.] (a) ~~Except during a carbon monoxide control period in a carbon monoxide control area,~~ A person responsible for the product may offer for sale, sell, or dispense at a retail gasoline station for use in collector vehicles or vehicles eligible to be licensed as collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, or small engines, gasoline that is not oxygenated in accordance with subdivision 1 if the person meets the conditions in paragraphs (b) to ~~(d)~~ (e). If the nonoxygenated gasoline is for use in a small engine, it must be dispensed into a can with a capacity of six or fewer gallons.

(b) The nonoxygenated gasoline must be unleaded premium grade as defined in section 239.751, subdivision 4.

(c) No more than one storage tank on the premises of the retail gasoline station may be used for storage of the nonoxygenated gasoline offered for sale, sold, or dispensed by the station.

(d) The pump stands must be posted with a permanent notice stating: "NONOXYGENATED GASOLINE. FOR USE IN COLLECTOR VEHICLES OR VEHICLES ELIGIBLE TO BE LICENSED AS COLLECTOR VEHICLES, OFF-ROAD VEHICLES, MOTORCYCLES, BOATS, SNOWMOBILES, OR SMALL ENGINES ONLY."

(e) For a retail gasoline station located in the county of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, or Wright, a person responsible for the product must annually register with the director, on forms provided by the director, an intent to sell nonoxygenated gasoline during the period of October 1 through January 31. Such person must register on or before August 1 of each year, and must report to the director before April 1 of the following year the total number of gallons of nonoxygenated premium grade gasoline sold during

the period of October 1 through January 31. Data submitted to the department under this paragraph shall be considered nonpublic data as defined in section 13.02, subdivision 13.

Sec. 176. Minnesota Statutes 1998, section 239.791, is amended by adding a subdivision to read:

Subd. 13. [EXEMPTION FOR CERTAIN RIPARIAN LANDOWNERS.] (a) A person responsible for the product may offer for sale, sell, and deliver directly to a bulk fuel storage tank gasoline that is not oxygenated in accordance with subdivision 1 if the conditions in paragraphs (b) to (e) are met.

(b) The nonoxygenated gasoline must be unleaded premium grade as defined in section 239.751, subdivision 4.

(c) The bulk fuel storage tank must be stationary or permanent.

(d) The bulk fuel storage tank must be under the control of an owner of littoral or riparian property and located on that littoral or riparian property.

(e) The nonoxygenated gasoline must be purchased for use in vehicles that would qualify for an exemption under subdivision 12, paragraph (a).

Sec. 177. Minnesota Statutes 1998, section 239.791, is amended by adding a subdivision to read:

Subd. 14. [EXEMPTION FOR AIRCRAFT OPERATORS.] A person responsible for the product may offer for sale, sell, and deliver directly to a bulk fuel storage tank gasoline that is not oxygenated in accordance with subdivision 1 for use in aircraft if the nonoxygenated gasoline is unleaded premium grade as defined in section 239.751, subdivision 4.

Sec. 178. Minnesota Statutes 1998, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of nongame wildlife. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the nongame wildlife management account. The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program of the section of wildlife in the department of natural resources. All interest earned on money accrued, gifts to the program, contributions to the program, and reimbursements of expenditures in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 179. Minnesota Statutes 1998, section 290.432, is amended to read:

290.432 [CORPORATE NONGAME WILDLIFE CHECKOFF.]

A corporation that files an income tax return may designate on its original return that \$1 or

more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that corporation and paid into the nongame wildlife management account established by section 290.431 for use by the section of wildlife in the department of natural resources for its nongame wildlife program. The commissioner of revenue shall, on the corporate tax return, notify filers of their right to designate that a portion of their tax return be paid into the nongame wildlife management account for the protection of endangered natural resources. All interest earned on money accrued, gifts to the program, contributions to the program, and reimbursements of expenditures in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be spent unless the commission has approved the work program.

The state pledges and agrees with all corporate contributors to the nongame wildlife account to use the funds contributed solely for the nongame wildlife program and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of those programs.

Sec. 180. 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 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 three-fourths of one percent thereafter,~~ of such revenues is the amount of tax on fuel used in snowmobiles operated in this state.

Sec. 181. Minnesota Statutes 1998, section 297H.13, subdivision 5, is amended to read:

Subd. 5. [REPORT ON RECEIPTS.] The commissioner of revenue shall report to the chairs of the house and senate environment and natural resources committees; the house environment and natural resources finance division; the senate environment and agriculture budget division; the house tax committee and the senate taxes and tax laws committee; the commissioner of the pollution control agency; and the director of the office of environmental assistance on the total tax revenues received from the taxes imposed under this chapter. The reports shall be made as follows:

(1) a report by ~~May 31, 1998, August 31 of each year based on amounts received by the commissioner of revenue from January 1, 1998, through April 30, 1998~~ January 1 through June 30 of that year; and

(2) a report by ~~September 30, 1998, February 28 of each year based on amounts received by the commissioner of revenue from May 1, 1998, through August 31, 1998; and~~

(3) a report by ~~January 31, 1999, based on amounts received by the commissioner of revenue from September 1, 1998, through December 31, 1998~~ July 1 through December 31 of the preceding year.

Sec. 182. Minnesota Statutes 1998, section 325E.11, is amended to read:

325E.11 [COLLECTION FACILITIES; NOTICE.]

(a) Any person selling at retail or offering motor oil or motor oil filters for retail sale in this state shall:

(1) post a notice indicating the nearest location where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse, post a toll-free telephone number that may be called by the public to determine a convenient location, or post a listing of locations where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse; or

(2) if the person is subject to section 325E.112, subdivision 1, paragraph (b), post a notice informing customers purchasing motor oil or motor oil filters of the location of the used motor oil and used motor oil filter collection site established by the retailer in accordance with section 325E.112, subdivision 1, paragraph (b), where used motor oil and used motor oil filters may be returned at no cost.

(b) A notice under paragraph (a) shall be posted on or adjacent to the motor oil and motor oil filter displays, be at least 8-1/2 inches by 11 inches in size, contain the universal recycling symbol with the following language:

- (1) "It is illegal to put used oil and used motor oil filters in the garbage.";
- (2) "Recycle your used oil and used motor oil filters."; and
- (3)(i) "There is a free collection site here for your used oil and used motor oil filters.";
- (ii) "There is a free collection site for used oil and used motor oil filters located at (name of business and street address).";
- (iii) "For the location of a free collection site for used oil and used motor oil filters call (toll-free phone number)."; or
- (iv) "Here is a list of free collection sites for used oil and used motor oil filters."

(c) The division of weights and measures under the department of public service shall enforce compliance with this section as provided in section 239.54. The pollution control agency shall enforce compliance with this section under sections 115.071 and 116.072 in coordination with the division of weights and measures.

Sec. 183. Minnesota Statutes 1998, section 325E.112, subdivision 1, is amended to read:

Subdivision 1. [COLLECTION.] (a) Motor oil and motor oil filter manufacturers and retailers shall seek to provide by May 31, 2001:

(1) access to at least one nongovernmental site for collection of used motor oil and used motor oil filters from the public within a five-mile radius of any resident in the seven-county metropolitan area; and

(2) access to at least one nongovernmental site for collection of used motor oil and used motor oil filters from the public within a city or town with a population of greater than 1,500 outside the seven-county metropolitan area. The commissioner of the pollution control agency shall determine by June 30, 2001, whether these goals have been met.

(b) If the commissioner of the pollution control agency determines that motor oil and motor oil filter manufacturers and retailers have not met the goals in paragraph (a) by May 31, 2001, then beginning July 1, 2001, all retailers that sell at an individual location more than 1,000 motor oil filters per calendar year at retail for off-site installation must provide for collection of used motor oil and used motor oil filters from the public. Retailers who do not collect the used motor oil and used motor oil filters at their individual locations may meet the requirement by entering into a written agreement with another party whose location is:

- (1) within two miles of the retailer's location if the retailer is located:
  - (i) within the Interstate Highway 494/694 beltway;
  - (ii) in a home rule charter or statutory city or a town contiguous to the Interstate Highway 494/694 beltway; or
  - (iii) in a home rule charter or statutory city of over 30,000 population within the metropolitan area as defined in section 473.121; or
- (2) within five miles of the retailer's location if the retailer is not in an area described in clause (1).

(b) (c) The written agreement under paragraph (b) must specify that the other party will accept from the public up to ten gallons of used motor oil and ten used motor oil filters per person per month during normal hours of operation unless:

- (1) the used motor oil is known to be contaminated with antifreeze, other hazardous waste, or other materials which may increase the cost of used motor oil management and disposal;
- (2) the storage equipment for that particular waste is temporarily filled to capacity; or
- (3) the used motor oil or used motor oil filters are from a business.

(e) (d) Persons accepting used motor oil from the public in accordance with this subdivision shall presume that the used motor oil is not contaminated with hazardous waste, provided the person offering the used motor oil is acting in good faith and the person accepting the used motor oil does not have evidence to the contrary. Persons collecting used motor oil from the public must take precautions to prevent contamination of used motor oil storage equipment. Precautions may include, but are not limited to, keeping a log of persons dropping off used motor oil, securing access to used motor oil storage equipment, or posting signage at the site indicating the proper use of the equipment.

(d) (e) Persons accepting used motor oil and used motor oil filters under paragraph (a) (b), including persons accepting the oil and filters on behalf of the retailer, may not charge a fee when accepting ten gallons or less of used motor oil or ten or fewer used motor oil filters per person per month.

(e) (f) Persons that receive contaminated used motor oil may manage the used motor oil as household hazardous waste through publicly administered household hazardous waste collection programs, with approval from the household hazardous waste program. Used motor oil contaminated with hazardous waste from the public that cannot be managed through a household hazardous waste collection program must be managed as a hazardous waste in accordance with rules adopted by the pollution control agency.

Sec. 184. Minnesota Statutes 1998, section 325E.112, subdivision 3, is amended to read:

Subd. 3. [EDUCATION PROGRAM.] ~~When the~~ By June 30 of each year, the commissioner estimates that all shall estimate the amount of funds available under section 325E.113 that will not be expended for reimbursements, the commissioner may use the estimated unexpended funds and shall transfer all or a portion of the estimated unexpended funds to the office of environmental assistance to cover the costs of educating the public and businesses on the provisions of this section and on proper management of used motor oil, used motor oil filters, and other automotive wastes. In coordination with the pollution control agency, county solid waste administrators, used motor oil and used motor oil filter collection site operators, and manufacturers and retailers of motor oil and motor oil filters, the director of the office of environmental assistance shall educate the public and businesses on the proper management of used motor oil, used motor oil filters, and other automotive wastes. As part of the education efforts, the director shall make information available to the public and businesses regarding the proper management of used motor oil, used motor oil filters, and other automotive wastes on the office's World Wide Web page. The commissioner of the pollution control agency shall also make information regarding the proper management of used motor oil, used motor oil filters, and other automotive wastes available on the agency's World Wide Web page.

Sec. 185. Minnesota Statutes 1998, section 325E.112, subdivision 4, is amended to read:

Subd. 4. [LIABILITY EXEMPTION.] Persons who accept used motor oil and used motor oil filters from the public and retailers and manufacturers who contract with such persons for purposes of subdivision 1 are exempt from liability under chapter 115B for the used motor oil, contaminated used motor oil, and used motor oil filters accepted under the provisions of subdivision 1 at facilities that accept used motor oil or used motor oil filters from the public free of charge, after the used motor oil, contaminated used motor oil, and used motor oil filters are sent off-site in compliance with rules adopted by the pollution control agency.

Sec. 186. Minnesota Statutes 1998, section 325E.113, is amended to read:

325E.113 [CONTAMINATED USED MOTOR OIL REIMBURSEMENT ACCOUNT.]

The contaminated used motor oil reimbursement account is established in the environmental fund. Money in the account is appropriated to the commissioner of the pollution control agency for the commissioner's activities under section 325E.112 and to complete the study required by section 201, except that the commissioner may not expend more than \$50,000 for the study required by section 201.

Sec. 187. Minnesota Statutes 1998, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products, the production of poultry or poultry products, or the feeding and caring for livestock that are delivered to a corporation for slaughter or processing for up to 20 days before slaughter or processing.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

- (1) it has no more than five shareholders;
- (2) all its shareholders, other than any estate, are natural persons;
- (3) it does not have more than one class of shares;
- (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;
- (5) shareholders holding 51 percent or more of the interest in the corporation reside on the farm or are actively engaging in farming;
- (6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and
- (7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.

(e) "Authorized livestock farm corporation" means a corporation formed for the production of livestock and meeting the following standards:

- (1) it is engaged in the production of livestock other than dairy cattle;
- (2) all its shareholders, other than any estate, are natural persons or family farm corporations;
- (3) it does not have more than one class of shares;
- (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) shareholders holding 75 percent or more of the control, financial, and capital investment in the corporation are farmers residing in Minnesota and at least 51 percent of the required percentage of farmers are actively engaged in livestock production;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.

(f) "Agricultural land" means real estate used for farming or capable of being used for farming in this state.

(g) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3.

(h) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(i) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

(j) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) no more than five partners;

(3) all its partners, other than any estate, are natural persons;

(4) its revenue from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(8) none of its limited partners are limited partners in other authorized farm partnerships that directly or indirectly in combination with the partnership own more than 1,500 acres of agricultural land.

(k) "Farmer" means a natural person who regularly participates in physical labor or operations management in the person's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

(l) "Actively engaged in livestock production" means performing day-to-day physical labor or

day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation.

(m) "Research or experimental farm" means a corporation, limited partnership, or pension or investment fund that owns or operates agricultural land for research or experimental purposes, provided that any commercial sales from the operation are incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking initial approval by the commissioner to operate agricultural land for research or experimental purposes must first submit to the commissioner a prospectus or proposal of the intended method of operation containing information required by the commissioner including a copy of any operational contract with individual participants.

(n) "Breeding stock farm" means a corporation or limited partnership that owns land for the purpose of raising breeding stock, including embryos, for resale to farmers or for the purpose of growing seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock other than dairy cattle under this paragraph that does not qualify as an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and

(2) report its total production and sales annually to the commissioner.

(o) "Aquatic farm" means a corporation or limited partnership that owns or leases agricultural land as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

(p) "Religious farm" means a corporation formed primarily for religious purposes whose sole income is derived from agriculture.

(q) "Utility corporation" means a corporation regulated under Minnesota Statutes 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or an electric generation or transmission cooperative that owns agricultural land for use in its business if the land is not used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership.

(r) "Benevolent trust" means a pension fund or family trust established by the owners of a family farm, authorized farm corporation, authorized livestock farm corporation, or family farm corporation that holds an interest in title to agricultural land on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by paragraph (b), (c), (d), or (e).

(s) "Development organization" means a corporation, limited partnership, or pension or investment fund that owns agricultural land for which the corporation, limited partnership, or pension or investment fund has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A corporation, limited partnership, or pension or investment fund may hold agricultural land in the amount necessary for its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, the land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation that has entered into an agreement with the United States under the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

(t) "Exempt land" means agricultural land owned or leased by a corporation as of May 20, 1973, agricultural land owned or leased by a pension or investment fund as of May 12, 1981, or agricultural land owned or leased by a limited partnership as of May 1, 1988, including the normal expansion of that ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981, for a pension or investment fund; or May 1, 1988,



for a limited partnership, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules. A corporation, limited partnership, or pension or investment fund that is eligible to own or lease agricultural land under this section prior to May 1997 may continue to own or lease agricultural land subject to the same conditions and limitations as previously allowed.

(u) "Gifted land" means agricultural land acquired as a gift, either by grant or devise, by an educational, religious, or charitable nonprofit corporation, limited partnership, or pension or investment fund if all land so acquired is disposed of within ten years after acquiring the title.

(v) "Repossessed land" means agricultural land acquired by a corporation, limited partnership, or pension or investment fund by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise if all land so acquired is disposed of within five years after acquiring the title. The five-year limitation is a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, or limited partnership. The land so acquired must not be used for farming during the five-year period, except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or an authorized farm partnership. Notwithstanding the five-year divestiture requirement under this paragraph, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must dispose of the agricultural land within ten years of acquiring the title. Livestock acquired by a pension or investment fund, corporation, or limited partnership in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is later.

(w) "Commissioner" means the commissioner of agriculture.

(x) "Demonstration corporation" means a nonprofit corporation organized under state nonprofit corporation law and formed primarily for the purpose of demonstrating historical farming practices.

Sec. 188. Minnesota Statutes 1998, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, limited liability company, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, limited liability company, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain any interest, in agricultural land other than a bona fide encumbrance taken for purposes of security. This subdivision does not apply to general partnerships. This subdivision does not apply to any agricultural land, corporation, limited partnership, or pension or investment fund that meet any of the definitions in subdivision 2, paragraphs (b) to (e), (i), (j), and (m) to (v), and (x), has a conservation plan prepared for the agricultural land, and reports as required under subdivision 4.

Sec. 189. Minnesota Statutes 1998, section 574.263, is amended to read:

574.263 [~~FORESTRY~~ NATURAL RESOURCE DEVELOPMENT PROJECTS.]

Subdivision 1. [DEFINITION.] For the purposes of this section and section 574.264, "forestry natural resource development project" includes site preparation by discing, shearing, rock raking or piling, patch scarification, or furrowing; prairie restoration; creation of wildlife openings and other wildlife habitat improvements; landscape clearing; tree planting; tree seeding; tree pruning; timber stand improvement by thinning or clearing existing forest trees by manual, mechanical, or chemical techniques; or forest road and bridge construction, reconstruction, and maintenance of department of natural resources trails, public accesses, water control structures, fish barriers, sewage treatment systems, roads, and bridges.

Subd. 2. [CONTRACTOR'S BOND.] A contract with the state for a ~~forestry~~ natural resource development project may require a performance bond at the discretion of the commissioner of natural resources. If the commissioner determines that a performance bond is required, it shall not be less than five percent of the contract price.

Subd. 3. [BID DEPOSIT IN PLACE OF PERFORMANCE BOND.] For a contract made by the commissioner for a ~~forestry~~ natural resource development project, the commissioner may require a bid deposit in place of a performance bond for charges that may accrue because of doing the specified work and to enforce the terms of the contract. The commissioner may set the amount of the bid deposit, but it may not be less than five percent of the contract price.

Subd. 4. [PAYMENT BOND.] A contract with the state for a ~~forestry~~ natural resource development project may require a payment bond at the discretion of the commissioner of natural resources. If the commissioner determines that a payment bond is required, the commissioner also has the discretion to decide whether the bond may be in the form of securities in place of a bond as provided in section 574.264. If so, the securities cannot have less value than five percent of the contract price.

Sec. 190. Minnesota Statutes 1998, section 574.264, subdivision 1, is amended to read:

Subdivision 1. [~~FOREST NATURAL RESOURCE DEVELOPMENT PROJECTS.~~] In place of a performance or payment bond or bid deposit for a state contract for a ~~forestry~~ natural resource development project less than \$50,000, the person required to file the bond or bid deposit may deposit in a local designated state depository or with the state treasurer a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount that would be required for the bond or bid deposit. If securities listed in this section are deposited, their value shall not be less than the amount required for the bond or bid deposit and the person required to file the bond or bid deposit shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the securities in the event of default under the contract or nonpayment of any persons furnishing labor and materials under, or to perform, the contract.

Sec. 191. Laws 1995, chapter 220, section 142, as amended by Laws 1995, chapter 263, section 12, and Laws 1996, chapter 351, section 1, is amended to read:

Sec. 142. [EFFECTIVE DATES.]

Sections 2, 5, 7, 20, 42, 44 to 49, 56, 57, 101, 102, 117, and 141, paragraph (d), are effective the day following final enactment.

Sections 114, 115, 118, and 121 are effective January 1, 1996.

Sections 120, subdivisions 2, 3, 4, and 5, and 141, paragraph (c), are effective July 1, 1996.

Section 141, paragraph (b), is effective June 30, 1999 2001.

Sections 58 and 66 are effective retroactively to August 1, 1991.

Section 119 is effective September 1, 1996.

Section 120, subdivision 1, is effective July 1, 1999.

Sec. 192. Laws 1996, chapter 351, section 2, as amended by Laws 1997, chapter 216, section 141, is amended to read:

Sec. 2. [RECYCLING GOALS AND ACTIONS.]

Subdivision 1. (a) ~~The following recycling or reuse goals shall be considered met if the actions in this subdivision are initiated by the identified parties on or before September 1, 1997, and are fully completed by December 31, 1998. Additionally, the goals in paragraph (b) must be met in at least 50 percent of counties by December 31, 1997; 75 percent by June 1, 1998; and 100 percent by December 31, 1998.~~

~~(b) Motor oil and motor oil filter manufacturers and retailers shall ensure that:~~

~~(1) at least 90 percent of residents within the seven-county metropolitan area and residents of a city or town with a population greater than 1,500 have access to a free nongovernment collection site for used motor oil and used motor oil filters within five miles of their residences; and~~

~~(2) at least one free nongovernment collection site for used motor oil and used motor oil filters generated by the public would be located in each county.~~

~~(e) Motor oil and motor oil filter manufacturers and retailers shall inform the public about environmental problems associated with improper disposal of used motor oil and used motor oil filters and proper disposal practices for used motor oil and used motor oil filters. At a minimum, this shall include public service announcements designed to reach residents of the state that generate used motor oil and used motor oil filters.~~

~~(d) (b) The commissioner of the pollution control agency director of the office of environmental assistance shall, by December 31, 1997, and at least annually thereafter or more frequently if deemed necessary, request motor oil and motor oil filter manufacturers and retailers, persons who haul used motor oil and used motor oil filters, and nongovernment persons who accept used motor oil and used motor oil filters from the public to provide an updated list of all existing sites that collect used motor oil, used motor oil filters, or both, from the public, delineating for public promotion which sites collect for free. The commissioner shall use this information to determine whether the parties identified in paragraph (b) have met the goals listed in that paragraph. A collection site operated by the state or a political subdivision, as defined in Minnesota Statutes, section 115A.03, subdivision 24, may be counted towards meeting recycling goals, provided that the parties responsible for meeting the goals of this subdivision voluntarily reimburse the state or political subdivision for all of the costs at that collection site that are associated with used motor oil and used motor oil filter recycling. Persons who accept used motor oil and used motor oil filters from the public shall cooperate with manufacturers and retailers of motor oil and motor oil filters to inform the agency office of environmental assistance within ten 30 days of initiating or ceasing to collect used motor oil or used motor oil filters from the public. The information shall be provided in a form and manner prescribed by the commissioner director of the office of environmental assistance. Using the information provided under this paragraph, the director of the office of environmental assistance shall prepare and make available to the public a list of all existing sites that collect used motor oil, used motor oil filters, or both from the public. The list must include all sites in the state, including both government and nongovernment collection sites and both sites that accept used motor oil or used motor oil filters free of charge or for a fee. The director shall update the list at least annually.~~

~~(e) (c) Motor oil filter manufacturers shall disclose to retailers whether lead has been intentionally introduced in manufacturing, and retailers shall not knowingly sell motor oil filters containing lead intentionally introduced in manufacturing.~~

~~Subd. 2. The commissioner of the pollution control agency may appoint an advisory group of diverse interests to assist the agency with experimentation with various approaches to public education, financial incentives, waste management, and other issues that might affect the effectiveness of recycling efforts. The commissioner may request parties responsible for meeting the recycling goals in subdivision 1 to voluntarily pay for some of the experimentation costs. The existence of this advisory group in no way relieves the parties identified in subdivision 1 of responsibility for meeting the goals listed in that subdivision. The commissioner of the pollution control agency shall appoint an advisory group chair.~~

~~Subd. 3. By January 15, 1999, the commissioner of the pollution control agency shall report to the environment and natural resources committees of the senate and the house of representatives on the amount of used motor oil and used motor oil filters being recycled and whether the goals in subdivision 1 have been met and recommend whether the mandate for retailers of motor oil and filters described in Minnesota Statutes, section 325E.112, subdivision 1, is needed to achieve the recycling goals.~~

Sec. 193. Laws 1998, chapter 401, section 53, is amended to read:

## Sec. 53. [FEEDLOT RULES.]

By ~~March~~ December 1, 1999, the commissioner of the pollution control agency must submit a copy of updated feedlot permit rules as prescribed in Minnesota Statutes, section 116.07, subdivision 7, paragraph (i). The updated rules must become effective no ~~later~~ sooner than ~~June 1,~~ April 1, 2000.

Sec. 194. Laws 1998, chapter 404, section 7, subdivision 23, is amended to read:

Subd. 23. Metro Regional Trails 5,000,000

For grants to the metropolitan council for acquisition and development of a capital nature of trail connections in the metropolitan area as specified in this subdivision. The purpose of the grants is to improve trails in the metropolitan park and open space system and connect them with existing state and regional trails. Priority shall be given to matching funds for an ISTEAA grant.

The funds shall be allocated by the council as follows:

(1) \$1,050,000 is allocated to Ramsey county as follows:

(i) \$400,000 to complete six miles of trails between the Burlington Northern Regional Trail and Bald Eagle-Otter Lake Regional Park;

(ii) \$150,000 to complete a one-mile connection between Birch Lake and the Lake Tamarack segment of Bald Eagle-Otter Lake Regional Park;

(iii) \$500,000 to acquire real property and design and construct or renovate recreation facilities along the Mississippi River in cooperation with the city of St. Paul;

(2) \$1,050,000 is allocated to the city of St. Paul as follows:

(i) \$250,000 to construct a bridge over Lexington Parkway in Como Regional Park; and

(ii) \$800,000 to enhance amenities for the trailhead at the Lilydale-Harriet Island Regional Park pavilion;

(3) \$1,400,000 is allocated to Anoka county as follows to construct:

(i) ~~\$1,100,000 to construct~~ a pedestrian tunnel under Highway 65 on the Rice Creek West Regional Trail in the city of Fridley; and

(ii) ~~\$300,000 to construct~~ a pedestrian bridge on the Mississippi River Regional Trail crossing over Mississippi Street in the city of Fridley; and

(4) \$1,500,000 is allocated to the suburban Hennepin regional park district as follows:

(i) \$1,000,000 to connect North Hennepin Regional Trail to Luce Line State Trail and Medicine Lake; and

(ii) \$500,000 is for the cost of development and acquisition of the Southwest regional trail in the city of St. Louis Park. The trail must connect the Minneapolis regional trail system at Cedar Lake park to the Hennepin parks regional trail system at the Hopkins trail head.

Sec. 195. Laws 1998, chapter 404, section 7, subdivision 26, is amended to read:

Subd. 26. Local Initiative Grants

8,000,000

For matching grants to be provided to local units of government for acquisition, development, or renovation of a capital nature of local parks, trails, and natural and scenic areas. Recipients must provide a match of at least one-half of total eligible project costs. The commissioner shall make payment to local units of government upon receiving documentation of reimbursable expenditures. The commissioner shall determine project priorities as appropriate based upon need.

\$3,500,000 of this appropriation is for grants to units of government to acquire and develop outdoor recreation areas, and for grants to units of government to acquire and better natural and scenic areas under Minnesota Statutes, section 85.019, subdivision 4a.

\$1,000,000 of this appropriation is for cooperative trail grants of up to \$50,000 per project to acquire or construct trail linkages between communities, trails, and parks.

\$3,500,000 of this appropriation is for trail grants for the following locally funded publicly owned trails serving multiple communities: \$1,400,000 for Beaver Island Trail in Stearns County, \$1,400,000 for Skunk Hollow Trail in Yellow Medicine and Chippewa Counties, and \$700,000 for Unity Trail in Faribault County. The grant for Beaver Island Trail in Stearns County is available in the manner and the order that follows: \$500,000 is available upon commitment of an equal amount from nonstate sources, \$152,000 is available upon contribution of an equal amount from local governments, \$374,000 is available upon commitment of an equal amount from nonstate sources, and the balance of \$374,000 is available upon commitment of an equal amount from nonstate sources.

Sec. 196. Laws 1999, chapter 161, section 44, is amended to read:

Sec. 44. [PRIVATE SALE OF TAX-FORFEITED AND SURPLUS STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell by private sale the tax-forfeited land that is described in paragraph (c), clauses (1) to (11), under the remaining provisions of Minnesota Statutes, chapter 282. Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c), clause (12).

(b) The land described in paragraph (c) may be sold by private sale to the Iron Range Resource and Rehabilitation Board for economic development. The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy. The consideration for the conveyance must be equal to the fair market value of the land plus the cost of appraisal. The conveyance shall not include stockpiled iron-bearing material held under control of the commissioner of natural resources. The commissioner may sell the stockpiled iron-bearing material located on these lands according to Minnesota Statutes, section 93.41.

(c) The lands to be conveyed are located in St. Louis county and are described as:

(1) ~~the Northwest Quarter of the Northwest Quarter~~ Government Lot 3, Section 5, Township 58 North, Range 15 West;

(2) ~~the Northeast Quarter of the Northwest Quarter~~ Government Lot 4, Section 5, Township 58 North, Range 15 West;

(3) ~~the Southwest Quarter of the Northwest Quarter~~ Government Lot 5, Section 5, Township 58 North, Range 15 West;

(4) ~~the Northwest Quarter of the Southwest Quarter~~ Government Lot 6, Section 5, Township 58 North, Range 15 West;

(5) ~~the Southeast Quarter of the Northeast Quarter~~ Government Lot 9, Section 6, Township 58 North, Range 15 West;

(6) ~~the Northwest Quarter of the Southeast Quarter~~ Government Lot 10, Section 6, Township 58 North, Range 15 West;

(7) ~~the Northeast Quarter of the Southeast Quarter~~ Government Lot 11, Section 6, Township 58 North, Range 15 West;

(8) ~~the Southwest Quarter of the Southeast Quarter~~ Government Lot 12, Section 6, Township 58 North, Range 15 West;

(9) ~~the Southeast Quarter of the Southeast Quarter, Section 6, Township 58 North, Range 15 West;~~

(10) ~~the Northeast Quarter of the Southeast Quarter~~ Government Lot 6, Section 31, Township 59 North, Range 15 West;

(11) ~~the Southeast Quarter of the Southeast Quarter, Section 31, Township 59 North, Range 15 West;~~

(12) (10) ~~the Northwest Quarter of the Southwest Quarter~~ Government Lot 4, Section 32, Township 59 North, Range 15 West;

(13) (11) ~~the Northeast Quarter of the Southwest Quarter~~ Government Lot 5, Section 32, Township 59 North, Range 15 West; and

(14) ~~the Southwest Quarter of the Southwest Quarter, Section 32, Township 59 North, Range 15 West; and~~

(15) (12) the Southeast Quarter of the Southwest Quarter, the surface of the beds of Wine (Wynne) and Syracuse lakes, below the natural ordinary high water mark thereof, as originally surveyed in Sections 5 and 6 of Township 58 North, Range 15 West, and the Southwest Quarter of Section 32, Township 59 North, Range 15 West.

(d) The county has determined that the county's land management interests would best be served if the tax-forfeited lands were returned to private ownership. The commissioner has determined that the surplus land is no longer needed for any state purpose and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 197. [PRIVATE CONVEYANCE OF STATE LAND; ROCK COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell the state-owned land described in paragraph (c) by private sale to the adjacent landowner east of the township road.

(b) The consideration for the sale shall be the land's appraised value as certified by the state and the conveyance shall be in a form approved by the attorney general.

(c) The land to be sold is located in Rock county, consists of 0.6 acres, more or less, and is described as:

That part of the Northwest Quarter of Section 13, Township 103 North, Range 45 West, described as follows:

Commencing at the West Quarter corner of Section 13; thence North 00 degrees 17 minutes 27 seconds West (assumed bearing) along the west line of the Northwest Quarter of said section a distance of 128.17 feet to the point of beginning; thence continuing North 00 degrees 17 minutes 27 seconds West along said west line a distance of 11.84 feet to a point 140.00 feet north of the south line of the Northwest Quarter of said section and the northwest corner of that certain tract of land conveyed to the state of Minnesota by final certificate, filed for record in the office of the Rock county recorder on May 19, 1938, in Book "M" of Misc., pages 515-517; thence South 89 degrees 28 minutes 55 seconds East parallel with the south line of the Northwest Quarter of said section and along the north line of said tract a distance of 1474.45 feet to the northeast corner of said tract; thence South 00 degrees 17 minutes 27 seconds East parallel with the west line of said section and along the east line of said tract a distance of 25.29 feet to an iron stake with DNR caps; thence North 88 degrees 57 minutes 33 seconds West along an existing fence line a distance of 1092.38 feet to Point A and an iron stake; thence continuing North 88 degrees 57 minutes 33 seconds West along said fence line extended a distance of 382.32 feet to said point of beginning.

Said tract is subject to a roadway easement and any other easements of record if any.

(d) The deed from the commissioner shall include the following restrictive covenant: that part of the above described tract of land lying easterly of and within 60 feet of Point A shall be maintained in tall grass cover with no use for livestock purposes. A breach of such restrictive covenant shall result in the automatic reversion of the restricted land to the state.

Sec. 198. [STUDY COMMITTEE REGARDING NEED FOR CENTRAL COLLECTION WASTEWATER TREATMENT SYSTEM.]

The commissioner of the Minnesota pollution control agency shall convene a committee of interested persons to address the need for central collection wastewater treatment systems in unsewered areas. The committee shall evaluate the effectiveness of alternative system designs and identify regulatory and other barriers to cost-efficient design and construction. By January 15, 2000, the commissioner shall report the results of the committee's evaluation to the house and senate committees with jurisdiction over environmental policy and budget issues.

Sec. 199. [AERIAL APPLICATOR LIABILITY STUDY.]

The commissioner of agriculture shall conduct a study concerning the issues of liability and

regulations of aerial applicators and municipal airports when aerial applicators use municipal airports. In conducting the study the commissioner must consult with representatives of aerial applicators, municipal airports, the Minnesota department of transportation, and other affected parties. Not later than January 15, 2000, the commissioner shall report the findings and recommendations of the study to the committees of the senate and house of representatives having jurisdiction over agricultural policy issues.

Sec. 200. [COMMISSIONER'S ORDERS RESCINDED.]

The commissioner of natural resources' order of January 3, 1999, designating certain lands as wildlife management areas is rescinded.

Sec. 201. [ANALYSIS OF USED OIL FILTER DISPOSAL METHODS.]

In consultation with the office of environmental assistance, representatives of motor oil manufacturers, representatives of motor oil filter manufacturers, representatives of sites that accept used motor oil and used motor oil filters from the public, and representatives of the haulers of mixed municipal solid waste, the commissioner of the pollution control agency shall analyze the technical feasibility of alternative methods of disposing of and recycling of used oil motor filters. The commissioner shall report to the chairs of the house and senate committees with jurisdiction over environmental policy and finance issues by January 15, 2001 on the findings of the analysis performed under this section and any recommendations.

Sec. 202. [LOWER PHALEN CREEK PROJECTS; DEVELOPMENT OF ATHLETIC FIELDS PROHIBITED.]

A person may not construct or develop athletic fields in the city of St. Paul on land within the Lower Phalen watershed area south of Kellogg Avenue that has been approved by the commissioner of natural resources for inclusion within the metro greenways program, as funded by Laws 1998, chapter 404, section 7, subdivision 19.

Sec. 203. [FARMSTEAD WINDBREAK RULES.]

The board of water and soil resources must add farmstead windbreaks as a practice eligible for cost-sharing to the rules adopted under Minnesota Statutes, section 103C.501. Minnesota Statutes, section 14.389, applies to this section.

Sec. 204. [RULES FOR PUBLIC USE OF RECREATIONAL AREAS.]

(a) The commissioner of natural resources shall amend the proposed permanent rules relating to public use of recreational areas, published in the State Register, volume 23, pages 751 to 763, October 5, 1998, according to this section and pursuant to Minnesota Statutes, section 14.388.

(b) The proposed permanent rules may not be more restrictive than the following provisions:

(1) "forest trail" means a trail that is either constructed, maintained, or located on forest lands administered by the commissioner for recreational activities on forest lands. Forest trail does not include state recreational trails as defined in Minnesota Statutes, section 85.015;

(2) no person may cut live merchantable trees on forest lands for constructing an elevated scaffold, except that shrubs, the lateral branches of trees, and saplings measuring smaller than four inches in diameter at 4-1/2 feet off the ground may be removed;

(3) motor vehicles may operate on forest lands classified as managed on forest roads and forest trails that are not posted and designated as closed, subject to the limitations and exceptions in proposed Minnesota Rules, part 6100.1950;

(4) a public meeting shall be held in the county where the largest portion of the forest lands are located to provide information to and receive comment from the public regarding the proposed classification change;

(5) no person shall operate a motor vehicle on forest lands on or over the beds of lakes, rivers,



or streams when ice is not covering the water body, except on a bridge, culvert, or similar structure or designated low water crossing; and

(6) motor vehicles may operate on forest lands classified as limited on forest roads that are not posted and designated closed and on forest trails or areas that are posted and designated to allow motor vehicle use, subject to the limitations and exceptions in proposed Minnesota Rules, part 6100.1950.

(c) The commissioner shall remove the following provisions of the rules, as proposed:

(1) no person shall operate a motor vehicle on forest lands off a forest road or trail, except:

(i) on forest lands classified as managed or limited during the seasons open for taking big game, licensed hunters may use all terrain vehicles off forest trails to retrieve big game animals by taking the most direct route between the carcass and the trail; and

(ii) inside the boundaries of a posted and designated scramble area;

(2) no person shall create an unauthorized trail on forest lands; and

(3) a person may not operate or be in control of a motor vehicle or snowmobile on forest lands while under the influence of alcohol or a controlled or hazardous substance. Arrest and testing procedures are according to Minnesota Statutes, section 84.91 to 84.911.

Sec. 205. [AGRICULTURAL PRODUCER CONTRACTS; COMMISSIONER TO STUDY; REPORT.]

(a) The commissioner of agriculture, in consultation with legislators, farm organizations, affected commodity groups, producers of agriculture crops and livestock, and agricultural processors, shall conduct a study of current and projected impacts of increasing amounts of livestock, poultry, and specialty crops produced under contract with processors, and the effect of contract production on access to competitive markets for producers who choose not to produce under contract.

(b) Not later than February 15, 2000, the commissioner shall report findings of the study, including, if any, recommendations for law or rule changes, to the committees of the senate and house of representatives having jurisdiction over agriculture policy issues.

Sec. 206. [REVISOR INSTRUCTION.]

The revisor of statutes shall renumber Minnesota Statutes, section 156.072, subdivision 4, as section 156.073.

Sec. 207. [REPEALER.]

Minnesota Statutes 1998, sections 31A.28; 42.01; 42.02; 42.03; 42.04; 42.05; 42.06; 42.07; 42.08; 42.09; 42.10; 42.11; 42.12; 42.13; 42.14; and 473.845, subdivision 2, are repealed.

Minnesota Statutes 1998, sections 35.245; 35.96, subdivision 4; 86B.415, subdivision 7a; and 446A.21, are repealed effective the day following final enactment.

Sec. 208. [EFFECTIVE DATE.]

Sections 19, 29, 69 to 81, 83, 114 to 122, 124, 131, 174, 176, 177, 181, 191, 194 to 196, 200, 203, and 204 are effective on the day following final enactment. Section 112 is effective January 1, 2000.

Section 175 is effective the day after a notice is published in the Federal Register by the United States Environmental Protection Agency redesignating the Twin Cities nonattainment area for carbon monoxide to attainment for carbon monoxide."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environmental, natural resources, 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; 17.03, by adding a subdivision; 17.038; 17.102, subdivision 4; 17.109, subdivision 1; 17.115, subdivision 3; 17.116, subdivision 3; 17.117, subdivision 3; 17.136; 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.075; 28A.08, subdivision 3, as amended; 29.22, subdivision 5; 31.101, subdivision 10; 31.94; 31.95, subdivision 3a; 31A.01; 31A.02, subdivision 4, and by adding subdivisions; 31A.15, subdivision 1; 31A.21, subdivisions 1 and 3; 31A.31; 32.21, subdivision 4; 32.394, subdivision 9; 35.02, subdivision 1; 35.04; 35.05; 35.08; 35.09, subdivisions 2 and 2a; 35.67; 35.68; 35.82, subdivisions 1b, 2, and 3; 35.92, subdivision 5; 35.93, subdivision 1; 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; 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, subdivision 1; 86B.415; 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; 97B.020; 103B.227, subdivision 2; 103F.515, subdivision 2; 103G.271, subdivision 6; 115.55, subdivision 5a; 115A.02; 115A.908, subdivision 2; 115B.39, subdivision 2; 115B.40, subdivisions 2, 3, 4, 5, 6, 7, and 8; 115B.405, subdivision 1; 115B.42; 115B.43, subdivision 1; 115B.442, by adding a subdivision; 116.07, subdivision 7; 116.072, by adding a subdivision; 116.073, subdivisions 1 and 2; 156.001, subdivisions 2, 3, and by adding a subdivision; 156.01, subdivision 3; 156.02, subdivisions 1 and 2; 156.03; 156.072; 156.10; 156.11; 156.12, subdivisions 2 and 4; 169.121, subdivision 3; 169.1217, subdivision 9; 169.123, subdivision 1; 171.07, subdivisions 12 and 13; 223.17, subdivision 3; 231.16; 232.22, subdivision 3; 233.08; 236.02, subdivision 4; 239.791, subdivisions 1, 12, and by adding subdivisions; 290.431; 290.432; 296A.18, subdivision 3; 297H.13, subdivision 5; 325E.11; 325E.112, subdivisions 1, 3, and 4; 325E.113; 500.24, subdivisions 2 and 3; 574.263; and 574.264, subdivision 1; Laws 1995, chapter 220, section 142, as amended; Laws 1996, chapter 351, section 2, as amended; Laws 1998, chapters 401, section 53; 404, section 7, subdivisions 23 and 26; and Laws 1999, chapters 4, section 2; and 161, section 44; proposing coding for new law in Minnesota Statutes, chapters 17; 18E; 28A; 31B; 84; 103G; 115B; 116; and 156; repealing Minnesota Statutes 1998, sections 31A.28; 35.245; 35.96, subdivision 4; 42.01; 42.02; 42.03; 42.04; 42.05; 42.06; 42.07; 42.08; 42.09; 42.10; 42.11; 42.12; 42.13; 42.14; 86B.415, subdivision 7a; 446A.21; and 473.845, subdivision 2."

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

Senate Conferees: (Signed) Jane Krentz, Gary W. Laidig, Bob Lessard, Ellen R. Anderson, Dallas C. Sams

House Conferees: (Signed) Mark Holsten, Tim Finseth, Dennis Ozment, Robert Ness, Tom Osthoff

Senator Krentz moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2226 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. 2226 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 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ranum

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

## MOTIONS AND RESOLUTIONS - CONTINUED

### CONFIRMATION

Senator Pogemiller moved that the reports from the Committee on Children, Families and Learning, reported May 13, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Pogemiller moved that the foregoing reports be now adopted. The motion prevailed.

Senator Pogemiller moved that in accordance with the reports from the Committee on Children, Families and Learning, reported May 13, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### BOARD OF THE LOLA AND RUDY PERPICH MINNESOTA CENTER FOR ARTS EDUCATION

James Bowlus, 3725 Yellowstone Ln. North, Plymouth, Hennepin County, effective March 3, 1998, for a term expiring on January 7, 2002.

Ruth Grendahl, 13685 Pennock Ave., Apple Valley, Dakota County, effective June 6, 1997, for a term expiring on January 1, 2001.

John C. Kim, 9628 Falcons Way, Eden Prairie, Hennepin County, effective June 6, 1997, for a term expiring on January 1, 2001.

Julie L. Nash, 10944 N.E. Cty. Rd. 9, Spicer, Kandiyohi County, effective March 23, 1998, for a term expiring on January 1, 2001.

Ellen Palmer, P.O. Box 37, 120 West Soo Line, Parkers Prairie, Otter Tail County, effective March 3, 1998, for a term expiring on January 7, 2002.

#### BOARD OF TEACHING

Michele Conners, 363 Cook Ave. E., St. Paul, Ramsey County, effective August 28, 1998, for a term expiring on January 1, 2001.

Patricia Hugoson, 2775 - 60th St., Granada, Martin County, effective October 6, 1998, for a term expiring on January 1, 2001.

#### DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING COMMISSIONER

Christine Jax, 2246 Lincoln St. N.E., Minneapolis, Hennepin County, effective January 15, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointments were confirmed.

### **CONFIRMATION**

Senator Metzen moved that the reports from the Committee on Governmental Operations and Veterans, reported May 11, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Metzen moved that the foregoing reports be now adopted. The motion prevailed.

Senator Metzen moved that in accordance with the reports from the Committee on Governmental Operations and Veterans, reported May 11, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### **DEPARTMENT OF ADMINISTRATION COMMISSIONER**

David Fisher, 5047 Gladstone Ave. S., Minneapolis, Hennepin County, effective March 15, 1999, for a term expiring on January 6, 2003.

#### **DEPARTMENT OF EMPLOYEE RELATIONS COMMISSIONER**

Karen L. Carpenter, 8603 Cherrywood Tr., Lake Elmo, Washington County, effective January 4, 1999, for a term expiring on January 6, 2003.

#### **DEPARTMENT OF VETERANS AFFAIRS COMMISSIONER**

Bernard R. Melter, 107 Village Ave., Cannon Falls, Goodhue County, effective January 4, 1999, for a term expiring on January 6, 2003.

#### **MINNESOTA VETERANS HOMES BOARD OF DIRECTORS**

Dr. Harvey C. Aaron, 325 Otis Ave., St. Paul, Ramsey County, effective February 27, 1998, for a term expiring on January 7, 2002.

Dr. Frank W. Budd, 4435 Sunshine Lake Rd., Duluth, St. Louis County, effective February 27, 1998, for a term expiring on January 7, 2002.

The motion prevailed. So the appointments were confirmed.

### **CONFIRMATION**

Senator Novak moved that the reports from the Committee on Jobs, Energy and Community Development, reported May 4, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Novak moved that the foregoing reports be now adopted. The motion prevailed.

Senator Novak moved that in accordance with the reports from the Committee on Jobs, Energy and Community Development, reported May 4, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### **BOARD OF INVENTION**

Philip M. Goldman, 1926 South Lane, Mendota Heights, Dakota County, effective March 5, 1996, for a term expiring on January 3, 2000.

BUREAU OF MEDIATION SERVICES  
COMMISSIONER

Lance Teachworth, 1587 Beechwood Ave., St. Paul, Ramsey County, effective January 11, 1999, for a term expiring on January 6, 2003.

DEPARTMENT OF LABOR AND INDUSTRY  
COMMISSIONER

Gretchen B. Maglich, 16500 Grays Bay Blvd., Minnetonka, Hennepin County, effective January 19, 1999, for a term expiring on January 6, 2003.

IRON RANGE RESOURCES AND REHABILITATION  
COMMISSIONER

John Swift, 9422 Hearthside Dr., Tower, St. Louis County, effective March 8, 1999, for a term expiring on January 6, 2003.

MINNESOTA HOUSING FINANCE AGENCY

Michael Finch, 5917 Girard Ave. S., Minneapolis, Hennepin County, effective January 14, 1998, for a term expiring on January 7, 2002.

Pamela K. Sleet, 433 S. 7th St., Minneapolis, Hennepin County, effective September 20, 1998, for a term expiring on January 4, 1999.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Senator Novak moved that the reports from the Committee on Jobs, Energy and Community Development, reported May 7, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Novak moved that the foregoing reports be now adopted. The motion prevailed.

Senator Novak moved that in accordance with the reports from the Committee on Jobs, Energy and Community Development, reported May 7, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF ECONOMIC SECURITY  
COMMISSIONER

Earl Wilson, 13130 Garnet Ave., Apple Valley, Dakota County, effective January 28, 1999, for a term expiring on January 6, 2003.

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT  
COMMISSIONER

Gerald Carlson, 3165 Casco Cir., Orono, Hennepin County, effective January 6, 1999, for a term expiring on January 6, 2003.

MINNESOTA HOUSING FINANCE AGENCY  
COMMISSIONER

Katherine G. Hadley, 2083 James Ave., St. Paul, Ramsey County, effective January 11, 1999, for a term expiring on January 6, 2003.

PUBLIC UTILITIES COMMISSION

Gregory G. Scott, 1120 Oakview Ln. N., Plymouth, Hennepin County, effective April 5, 1999, for a term expiring on January 3, 2005.

The motion prevailed. So the appointments were confirmed.

### **CONFIRMATION**

Senator Ranum moved that the reports from the Committee on Judiciary, reported May 10, 1999, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Ranum moved that the foregoing reports be now adopted. The motion prevailed.

Senator Ranum moved that in accordance with the reports from the Committee on Judiciary, reported May 10, 1999, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### **BOARD ON JUDICIAL STANDARDS**

Barry Lazarus, 156 Groveland Ter., Minneapolis, Hennepin County, effective April 8, 1998, for a term expiring on January 7, 2002.

#### **DEPARTMENT OF HUMAN RIGHTS COMMISSIONER**

Janeen Rosas, 4544 Upton Ave. S., Minneapolis, Hennepin County, effective January 4, 1999, for a term expiring on January 6, 2003.

The motion prevailed. So the appointments were confirmed.

### **SUSPENSION OF RULES**

Senator Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the hours of meeting for Conference Committees. The motion prevailed.

### **MEMBERS EXCUSED**

Senator Pappas was excused from the Session of today. Senator Stumpf was excused from the Session of today from 9:00 to 9:30 a.m. Senator Anderson was excused from the Session of today from 9:00 to 10:00 a.m. and from 1:00 to 3:15 p.m. Senator Samuelson was excused from the Session of today from 10:00 to 10:10 a.m. Senator Piper was excused from the Session of today from 10:00 to 11:05 a.m. Senator Ourada was excused from the Session of today from 10:30 to 10:45 a.m. Senator Murphy was excused from the Session of today from 10:30 to 11:15 a.m. Senators Hottinger; Johnson, D.J. and Moe, R.D. were excused from the Session of today from 10:50 to 11:00 a.m. Senator Oliver was excused from the Session of today from 11:45 a.m. to 12:30 p.m. Senator Ranum was excused from the Session of today from 11:55 a.m. to 12:05 p.m. Senators Hottinger; Johnson, D.J. and Murphy were excused from the Session of today at 12:00 noon for brief periods of time. Senator Berglin was excused from the Session of today from 12:00 noon to 12:30 p.m. Senators Lessard and Solon were excused from the Session of today at 6:45 p.m. Senator Novak was excused from the Session of today from 6:45 to 7:00 p.m. Senator Frederickson was excused from the Session of today from 7:10 to 7:25 p.m. Senator Junge was excused from the Session of today at 8:00 p.m. Senator Janezich was excused from the Session of today at 8:45 p.m.

**ADJOURNMENT**

Senator Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 17, 1999. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate





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