

STATE OF MINNESOTA

# Journal of the Senate

EIGHTIETH LEGISLATURE

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SPECIAL SESSION

FIRST DAY

St. Paul, Minnesota, Monday, April 20, 1998

The Senate met at 8:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. William A. Watson, III.

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

The Secretary called the roll by legislative districts in numerical order as follows:

First District . . . . .	LeRoy A. Stumpf
Second District . . . . .	Roger D. Moe
Third District . . . . .	Bob Lessard
Fourth District . . . . .	David J. Ten Eyck
Fifth District . . . . .	Jerry R. Janezich
Sixth District . . . . .	Douglas J. Johnson
Seventh District . . . . .	Sam G. Solon
Eighth District . . . . .	Becky Lourey
Ninth District . . . . .	Keith Langseth
Tenth District . . . . .	Cal Larson
Eleventh District . . . . .	Dallas C. Sams
Twelfth District . . . . .	Don Samuelson
Thirteenth District . . . . .	Charles A. Berg
Fourteenth District . . . . .	Michelle L. Fischbach
Fifteenth District . . . . .	Dean E. Johnson
Sixteenth District . . . . .	Dave Kleis
Seventeenth District . . . . .	Dan Stevens
Eighteenth District . . . . .	Janet B. Johnson
Nineteenth District . . . . .	Mark Ourada
Twentieth District . . . . .	Steve Dille
Twenty-first District . . . . .	Arlene J. Lesewski
Twenty-second District . . . . .	Jim Vickerman
Twenty-third District . . . . .	Dennis R. Frederickson
Twenty-fourth District . . . . .	John C. Hottinger
Twenty-fifth District . . . . .	Thomas M. Neuville
Twenty-sixth District . . . . .	Tracy L. Beckman

Twenty-seventh District . . . . .	Pat Piper
Twenty-eighth District . . . . .	Dick Day
Twenty-ninth District . . . . .	Steve Murphy
Thirtieth District . . . . .	Sheila M. Kiscaden
Thirty-first District . . . . .	Kenric J. Scheevel
Thirty-second District . . . . .	Steven Morse
Thirty-third District . . . . .	Warren Limmer
Thirty-fourth District . . . . .	Gen Olson
Thirty-fifth District . . . . .	Claire Robling
Thirty-sixth District . . . . .	David L. Knutson
Thirty-seventh District . . . . .	Pat Pariseau
Thirty-eighth District . . . . .	Deanna Wiener
Thirty-ninth District . . . . .	James P. Metzen
Fortieth District . . . . .	Dave H. Johnson
Forty-first District . . . . .	William V. Belanger, Jr.
Forty-second District . . . . .	Roy Terwilliger
Forty-third District . . . . .	Edward C. Oliver
Forty-fourth District . . . . .	Steve P. Kelley
Forty-fifth District . . . . .	Martha R. Robertson
Forty-sixth District . . . . .	Ember R. Junge
Forty-seventh District . . . . .	Linda Scheid
Forty-eighth District . . . . .	Don Betzold
Forty-ninth District . . . . .	Leo Foley
Fiftieth District . . . . .	Paula E. Hanson
Fifty-first District . . . . .	Jane Krentz
Fifty-second District . . . . .	Steven G. Novak
Fifty-third District . . . . .	Linda Runbeck
Fifty-fourth District . . . . .	John Marty
Fifty-fifth District . . . . .	Charles "Chuck" Wiger
Fifty-sixth District . . . . .	Gary W. Laidig
Fifty-seventh District . . . . .	Leonard R. Price
Fifty-eighth District . . . . .	Linda Higgins
Fifty-ninth District . . . . .	Lawrence J. Pogemiller
Sixtieth District . . . . .	Allan H. Spear
Sixty-first District . . . . .	Linda Berglin
Sixty-second District . . . . .	Carol Flynn
Sixty-third District . . . . .	Jane B. Ranum
Sixty-fourth District . . . . .	Richard J. Cohen
Sixty-fifth District . . . . .	Sandra L. Pappas
Sixty-sixth District . . . . .	Ellen R. Anderson
Sixty-seventh District . . . . .	Randy C. Kelly

The President declared a quorum present.

**MEMBERS EXCUSED**

Ms. Johnson, J.B.; Mr. Morse and Ms. Robertson were excused from the Session of today.

**STATE OF MINNESOTA**

**PROCLAMATION**

WHEREAS: Article IV, Section 12 of the Constitution of the State of Minnesota provides that a special session of the Legislature may be called by the Governor on extraordinary occasions; and

WHEREAS: The Eightieth Legislature adjourned without enacting legislation to clarify that it is the public policy and intent of the State of Minnesota to allow recovery for fraud pursuant to Minnesota Statutes, section 604.10; and

WHEREAS: The Eightieth Legislature adjourned without enacting certain and limited legislation pertaining to Economic Development, and Early Childhood and Family Education; and

WHEREAS: The time permitted by law for passage of such legislation during the 1998 Session for the Legislature has expired, and an extraordinary occasion is thereby created; and

WHEREAS: The people of Minnesota are best served by a prompt conclusion of legislative business, and a majority of the elected leaders of the Legislature have agreed on the aforementioned limited agenda of laws to be enacted, and procedures to complete a special session;

NOW, THEREFORE I, ARNE H. CARLSON, Governor of the State of Minnesota, do hereby summon you, members of the Legislature, to convene in Special Session on April 20, 1998 at 8:00 a.m. at the Capitol in Saint Paul, Minnesota.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the State Capitol this twentieth day of April in the year one thousand nine hundred and ninety-eight, and of the State the one hundred thirty-ninth.

Arne H. Carlson  
GOVERNOR

Joan Anderson Growe  
SECRETARY OF STATE

## MOTIONS AND RESOLUTIONS

### **Messrs. Moe, R.D. and Day introduced--**

**Senate Resolution No. 1:** A Senate resolution relating to organization and operation of the Senate during the Special Session.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Senate is organized under Minnesota Statutes, sections 3.073 and 3.103.

The Rules of the Senate for the 80th Legislature are the Rules for the Special Session, except that Rules 33, 40, and 57 are not operative other than as provided in this resolution.

The Committees on Rules and Administration, Judiciary and Human Resources Finance are established in the same manner and with the same powers as in the 80th Legislature.

With respect to Rule 31, Reconsideration, a notice of intention to move for reconsideration is not in order, but a motion to reconsider may be made, and when made has priority over other business except a motion to adjourn.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman  
Belanger  
Berg

Berglin  
Betzold  
Cohen

Day  
Flynn  
Foley

Frederickson  
Hanson  
Higgins

Hottinger  
Janezich  
Johnson, D.E.

Johnson, D.J.	Larson	Olson	Samuelson	Ten Eyck
Kelley, S.P.	Lesewski	Ourada	Scheevel	Terwilliger
Kiscaden	Lessard	Pappas	Scheid	Vickerman
Kleis	Limmer	Pariseau	Solon	Wiener
Knutson	Lourey	Price	Spear	Wiger
Krentz	Metzen	Ranum	Stevens	
Langseth	Moe, R.D.	Sams	Stumpf	

The motion prevailed. So the resolution was adopted.

### MOTIONS AND RESOLUTIONS - CONTINUED

#### **Messrs. Moe, R.D. and Day introduced--**

**Senate Resolution No. 2:** A Senate resolution relating to notifying the House of Representatives and the Governor that the Senate is organized.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate shall notify the House of Representatives and the Governor that the Senate is now duly organized under the Minnesota Constitution and Minnesota Statutes.

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

#### **Mr. Oliver introduced--**

**Senate Resolution No. 3:** A Senate resolution congratulating the Minnetonka High School Boys Alpine Skiing Team on winning the state championship.

Referred to the Committee on Rules and Administration.

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.

#### **Messrs. Stumpf; Johnson, D.J.; Knutson; Moe, R.D. and Day introduced--**

**S.F. No. 1:** A bill for an act relating to civil actions; clarifying the effect of the economic loss statute on actions based upon fraud or intentional misrepresentation; amending Minnesota Statutes 1996, section 604.10.

Referred to the Committee on Judiciary.

#### **Mr. Beckman, Mses. Piper, Berglin and Anderson introduced--**

**S.F. No. 2:** A bill for an act relating to the operation of state government; appropriating money for economic development, housing, family and early childhood, and related programs; modifying community action program provisions; modifying various programs and projects; providing for a grant limit exception; amending Minnesota Statutes 1996, sections 16B.06, subdivision 2; 115C.09, by adding a subdivision; 268.52, subdivisions 1 and 2; 268.54, subdivision 2; 383B.79, subdivision 1, and by adding a subdivision; and 469.303; Minnesota Statutes 1997 Supplement, sections 115C.09, subdivision 3f; 116J.421, subdivision 1, and by adding a subdivision; 179A.03, subdivision 7; and 268.53, subdivision 5; Laws 1997, chapter 162, article 4, section 63, subdivision 2.

Referred to the Committee on Human Resources Finance.

**Messrs. Beckman and Terwilliger introduced--**

**S.F. No. 3:** A bill for an act relating to appropriations; appropriating money for the community rehabilitation program.

Mr. Moe, R.D. moved that S.F. No. 3 be laid on the table. The motion prevailed.

**Mr. Kleis introduced--**

**S.F. No. 4:** A bill for an act proposing an amendment to the Minnesota Constitution to provide for a unicameral legislature; changing article IV; article V, sections 3 and 5; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by law for a unicameral legislature of 135 members; amending Minnesota Statutes 1996, sections 2.021; and 2.031, subdivision 1.

Mr. Moe, R.D. moved that S.F. No. 4 be laid on the table. The motion prevailed.

**Messrs. Vickerman, Hottinger and Frederickson introduced--**

**S.F. No. 5:** A bill for an act relating to tornado relief; adding a portion of Watonwan county to certain relief programs; amending Laws 1998, chapter 383, sections 1; 20, subdivision 2; and 35.

Mr. Moe, R.D. moved that S.F. No. 5 be laid on the table. The motion prevailed.

**Messrs. Frederickson; Lessard; Johnson, D.J.; Day and Samuelson introduced--**

**S.F. No. 6:** A bill for an act relating to natural resources; modifying interference with taking of wild animal provision; regulating entry into migratory waterfowl refuges; providing fees for certain hunting guides; licensing moose hunting guides; providing for the acquisition of critical aquatic habitat; modifying commercial netting provisions; prohibiting the use of underwater video equipment to take fish; exempting archery bows used for bowfishing from casing requirement; prohibiting the taking of white bears; permitting the commissioner to take catfish in certain waters; modifying minnow retailer provisions; modifying turtle license provisions; requiring the commissioner of natural resources to study lifetime hunting and fishing licenses; requiring the commissioner of natural resources to study the modification of species restrictions on shooting preserves; requiring the commissioner of natural resources to study the effect of cormorants on the fish population in this state; authorizing the public sale of certain tax-forfeited land that borders public water in Mower county; authorizing the sale of certain school trust land bordering public waters in St. Louis county; modifying private sale of tax-forfeited land provisions for Carlton county; authorizing the private sale of certain lands in Aitkin county; authorizing the sale of certain tax-forfeited land in Douglas county; authorizing the private sale of certain tax-forfeited peat land in St. Louis county; designating certain lands as a waterfowl refuge; amending Minnesota Statutes 1996, sections 86A.04; 97A.037, subdivision 1; 97A.095, subdivision 1; 97B.051; 97B.411; 97C.041; 97C.325; 97C.501, subdivision 1; and 97C.605, subdivisions 1 and 2; Minnesota Statutes 1997 Supplement, sections 97A.475, subdivisions 16 and 30; and 97C.501, subdivision 2; Laws 1997, chapter 207, section 7; proposing coding for new law in Minnesota Statutes, chapters 97B; and 97C.

Mr. Moe, R.D. moved that S.F. No. 6 be laid on the table. The motion prevailed.

**Mr. Hottinger, Mses. Piper, Ranum and Mr. Belanger introduced--**

**S.F. No. 7:** A bill for an act relating to children; proposing an amendment to the Minnesota Constitution by adding a new article XV, and by renumbering certain sections; dedicating the swamp land fund and proceeds derived from certain swamp lands to a permanent children's endowment fund; maximizing the long-term total return to the fund; requiring an advisory task force to evaluate funding sources and propose a governance structure for the endowment; proposing coding for new law as Minnesota Statutes, chapter 119C.

Mr. Moe, R.D. moved that S.F. No. 7 be laid on the table. 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 inform you that the House of Representatives of the State of Minnesota is now duly organized for the 1998 Special Session pursuant to law.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1998

### **RECESS**

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

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

### **CALL OF THE SENATE**

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

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

Mr. Moe, R.D. moved that S.F. No. 6 be taken from the table. The motion prevailed.

**S.F. No. 6:** A bill for an act relating to natural resources; modifying interference with taking of wild animal provision; regulating entry into migratory waterfowl refuges; providing fees for certain hunting guides; licensing moose hunting guides; providing for the acquisition of critical aquatic habitat; modifying commercial netting provisions; prohibiting the use of underwater video equipment to take fish; exempting archery bows used for bowfishing from casing requirement; prohibiting the taking of white bears; permitting the commissioner to take catfish in certain waters; modifying minnow retailer provisions; modifying turtle license provisions; requiring the commissioner of natural resources to study lifetime hunting and fishing licenses; requiring the commissioner of natural resources to study the modification of species restrictions on shooting preserves; requiring the commissioner of natural resources to study the effect of cormorants on the fish population in this state; authorizing the public sale of certain tax-forfeited land that borders public water in Mower county; authorizing the sale of certain school trust land bordering public waters in St. Louis county; modifying private sale of tax-forfeited land provisions for Carlton county; authorizing the private sale of certain lands in Aitkin county; authorizing the sale of certain tax-forfeited land in Douglas county; authorizing the private sale of certain tax-forfeited peat land in St. Louis county; designating certain lands as a waterfowl refuge; amending Minnesota Statutes 1996, sections 86A.04; 97A.037, subdivision 1; 97A.095, subdivision 1; 97B.051; 97B.411; 97C.041; 97C.325; 97C.501, subdivision 1; and 97C.605, subdivisions 1 and 2; Minnesota Statutes 1997 Supplement, sections 97A.475, subdivisions 16 and 30; and 97C.501, subdivision 2; Laws 1997, chapter 207, section 7; proposing coding for new law in Minnesota Statutes, chapters 97B; and 97C.

**SUSPENSION OF RULES**

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 6 and that the rules of the Senate be so far suspended as to give S.F. No. 6 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 6 was read the second time.

Mr. Johnson, D.J. moved to amend S.F. No. 6 as follows:

Page 1, after line 40, insert:

"Section 1. Minnesota Statutes 1996, 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."

Page 13, after line 23, insert:

"Sec. 28. [1998 FISH STOCKING REQUIREMENTS; INTERIM HEARINGS.]

During 1998, the commissioner of natural resources shall stock 90,000 pounds of walleye fingerlings in accordance with fisheries management plans for individual waters. The commissioner shall evaluate the potential to improve walleye stocking. Appropriate legislative committees shall hold interim hearings to provide public input on improved walleye stocking. The committees shall report to the legislature by March 1, 1999, on any recommendations for continued stocking efforts."

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

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing grant-in-aid funds to be used on snowmobile trails in Voyageurs National Park;"

Page 1, line 31, after the semicolon, insert "requiring a certain level of walleye fingerlings to be stocked in 1998; requiring hearings on walleye stocking;"

Page 1, line 32, after "sections" insert "84.83, subdivision 3;"

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 6 as follows:

Page 1, after line 40, insert:

"Section 1. Minnesota Statutes 1997 Supplement, 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~~ an issuing fee under section 97A.485, subdivision 6, and ~~a credit card~~ an additional transaction fee established by the commissioner, not to exceed \$3.50 for ~~electronic~~ telephone 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 rulemaking procedures."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying electronic licensing provisions;"

Page 1, line 36, after "sections" insert "84.027, subdivision 15;"

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

S.F. No. 6 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 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Kleis and Stevens voted in the negative.

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



**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

**REPORTS OF COMMITTEES**

Mr. Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

**Ms. Berglin from the Committee on Human Resources Finance, to which was referred**

**S.F. No. 2:** A bill for an act relating to the operation of state government; appropriating money for economic development, housing, family and early childhood, and related programs; modifying community action program provisions; modifying various programs and projects; providing for a grant limit exception; amending Minnesota Statutes 1996, sections 16B.06, subdivision 2; 115C.09, by adding a subdivision; 268.52, subdivisions 1 and 2; 268.54, subdivision 2; 383B.79, subdivision 1, and by adding a subdivision; and 469.303; Minnesota Statutes 1997 Supplement, sections 115C.09, subdivision 3f; 116J.421, subdivision 1, and by adding a subdivision; 179A.03, subdivision 7; and 268.53, subdivision 5; Laws 1997, chapter 162, article 4, section 63, subdivision 2.

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

Page 4, after line 33, insert:

"Sec. 5. [MINNESOTA FAMILY ASSETS FOR INDEPENDENCE PILOT PROJECT ESTABLISHMENT.]

The Minnesota family assets for independence initiative is established to provide incentives for low-income families to accrue assets for education, housing, and economic development purposes.

Sec. 6. [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 5 to 11.

Subd. 2. [FAMILY ASSET ACCOUNT.] "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of children, families, and learning.

Subd. 4. [FIDUCIARY ORGANIZATION.] "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 268.53;

(2) a federal community development credit union serving the seven-county metropolitan area;  
or

(3) a women-oriented economic development agency serving the seven-county metropolitan area.

Subd. 5. [FINANCIAL INSTITUTION.] "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

Subd. 6. [PERMISSIBLE USE.] "Permissible use" means:

(1) post-secondary educational expenses at an accredited public post-secondary institution including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization; and

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986.

Subd. 7. [HOUSEHOLD.] "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

Sec. 7. [GRANTS AWARDED.]

The commissioner shall allocate funds to participating fiduciary organizations to provide family asset services. Grant awards must be based on a plan submitted by a statewide organization representing fiduciary organizations. The statewide organization must ensure that any interested unrepresented fiduciary organization have input into the development of the plan. The plan must equitably distribute funds to achieve geographic balance and document the capacity of participating fiduciary organizations to manage the program and to raise the private match.

Sec. 8. [DUTIES.]

A participating fiduciary organization must:

- (1) provide separate accounts for the immediate deposit of program funds;
- (2) establish a process to select participants and describe any priorities for participation;
- (3) enter into a family asset agreement with the household to establish the terms of participation;
- (4) provide households with economic literacy education;
- (5) provide households with information on early childhood family education;
- (6) provide matching deposits for participating households;
- (7) coordinate with other related public and private programs; and
- (8) establish a process to appeal and mediate disputes.

Sec. 9. [HOUSEHOLD ELIGIBILITY; PARTICIPATION.]

Subdivision 1. [INITIAL ELIGIBILITY.] To be eligible for the family assets for independence initiative, a household must have income at or below 200 percent of the federal poverty level and assets of \$25,000 or less. An individual who is a dependent of another person for federal income tax purposes may not be a separate eligible household for purposes of establishing a family asset account. An individual who is a debtor for a judgment resulting from nonpayment of a court-ordered child support obligation may not participate in this program. Income and assets are determined according to eligibility guidelines for the energy assistance program.

Subd. 2. [CONTINUED PARTICIPATION.] A participating household whose income exceeds 200 percent of the poverty level may continue to make contributions to the savings account. The amount of any contributions made during the time when a participating household's income is greater than 200 percent of the poverty level is not eligible for the match under section 10.

Subd. 3. [FAMILY PARTICIPATION.] Each participating household must sign a family asset agreement that includes the amount of scheduled deposits into its savings account, the proposed use, and the proposed savings goal. A participating household must agree to complete an economic literacy training program.

Participating households may only deposit money that is derived from household earned income or from state and federal income tax credits.

Sec. 10. [WITHDRAWAL; MATCHING; PERMISSIBLE USES.]

Subdivision 1. [WITHDRAWAL OF FUNDS.] To receive a match, a participating household must transfer funds withdrawn from a family asset account to a fiduciary organization, according to the family asset agreement. The fiduciary organization must determine if the match request is for a permissible use consistent with the household's family asset agreement.

A fiduciary organization must match the balance in the household's account, including interest, at the time of an approved withdrawal. Matches must be provided as follows:

(1) from state grant funds a matching contribution of \$2 for every \$1 of funds withdrawn from the family asset account equal to the lesser of \$720 per year or a \$3,000 lifetime limit; and

(2) from nonstate funds, a matching contribution of no less than \$2 for every \$1 of funds withdrawn from the family asset account equal to the lesser of \$720 per year or a \$3,000 lifetime limit.

Subd. 2. [VENDOR PAYMENT OF WITHDRAWN FUNDS.] Upon receipt of withdrawn funds, the fiduciary organization must make a direct payment to the vendor of the goods or services for the permissible use.

Sec. 11. [PROGRAM REPORTING.]

Each fiduciary organization operating a family assets for independence initiative must annually report to the commissioner of children, families, and learning the number of accounts, the amount of savings and matches for each account, the uses of the account, and the number of businesses, homes, and educational services paid for with money from the account, as well as other information that may be required for the state to operate the program effectively."

Page 5, line 7, delete "\$53,751,000" and insert "\$54,001,000"

Page 5, line 15, delete "under article 1, section 38" and insert "for families completing transition year child care assistance in fiscal year 1999. The commissioner shall implement procedures to ensure this assistance"

Page 5, delete lines 16 to 18

Page 5, line 19, delete everything before "of" and insert:

"\$3,250,000"

Page 6, line 15, delete "\$ 500,000" and insert "\$ 250,000"

Page 9, line 41, delete everything after "utilities"

Page 9, line 42, delete everything before the period

Page 11, after line 15, insert:

"Sec. 14. [BIOMASS PROJECT; WAIVER OF FEES AUTHORIZED.]

The Minnesota environmental quality board may waive fees under Minnesota Statutes, chapter 116C, for permits necessary for construction to commence on a biomass energy project that plans to use alfalfa for a primary fuel source."

Page 16, line 2, delete "20 and 21" and insert "21 and 22"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "creating the Minnesota family assets for independence pilot project;"

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

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2 and that the rules of the Senate be so far suspended as to give S.F. No. 2 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 2 was read the second time.

Mrs. Robling moved to amend S.F. No. 2 as follows:

Page 4, after line 34, insert:

"Sec. 5. Laws 1997, chapter 248, section 47, subdivision 1, is amended to read:

Subdivision 1. [INTERIM AGE GROUPINGS; FAMILY DAY CARE.] Notwithstanding Minnesota Rules, part 9502.0315, subparts 22, 28 and 30, ~~until June 30, 1998,~~ for the purposes of family day care and group family day care licensure the following definitions apply:

(1) "Preschooler" means a child who is at least 24 months old up to the age of being eligible to enter kindergarten within the next four months.

(2) "Toddler" means a child who is at least 12 months old but less than 24 months old, except that for purposes of specialized infant and toddler family and group family day care, "toddler" means a child who is at least 12 months old but less than 30 months old.

(3) "School age" means a child who is at least of sufficient age to have attended the first day of kindergarten, or is eligible to enter kindergarten within the next four months, but is younger than 11 years of age."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mrs. Robling then moved to amend the Robling amendment to S.F. No. 2 as follows:

Page 1, delete line 7 and insert "and 30, until June 30, ~~1998~~ 1999, for the purposes of family day care"

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

The question recurred on the Robling amendment, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Janezich	Kleis	Limmer
Beckman	Fischbach	Johnson, D.E.	Knutson	Lourey
Belanger	Flynn	Johnson, D.H.	Krentz	Marty
Berg	Foley	Johnson, D.J.	Laidig	Metzen
Berglin	Frederickson	Junge	Langseth	Moe, R.D.
Betzold	Hanson	Kelley, S.P.	Larson	Murphy
Cohen	Higgins	Kelly, R.C.	Lesewski	Neuville
Day	Hottinger	Kiscaden	Lessard	Novak

Oliver	Pogemiller	Sams	Spear	Vickerman
Olson	Price	Samuelson	Stevens	Wiener
Ourada	Ranum	Scheevel	Stumpf	Wiger
Pappas	Robling	Scheid	Ten Eyck	
Piper	Runbeck	Solon	Terwilliger	

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

Mr. Oliver moved to amend S.F. No. 2 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [VOCATIONAL REHABILITATION.]

\$1,000,000 in 1999 is appropriated to the vocational rehabilitation program to be added to the appropriation for rehabilitation services provided in Laws 1997, chapter 200, article 1, section 5, subdivision 2, and is added to the department's budget base."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 56, as follows:

Those who voted in the affirmative were:

Fischbach	Limmer	Oliver	Pariseau	Runbeck
Kleis	Neuville	Olson		

Those who voted in the negative were:

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

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

Mr. Kelly, R.C. moved to amend S.F. No. 2 as follows:

Page 18, after line 5, insert:

"Sec. 20. Minnesota Statutes 1996, section 116J.553, subdivision 2, is amended to read:

Subd. 2. [REQUIRED CONTENT.] (a) The commissioner shall prescribe and provide the application form. Except as provided in paragraphs (b) and (c), the application must include at least the following information:

- (1) identification of the site;
- (2) an approved response action plan for the site, including the results of engineering and other tests showing the nature and extent of the release or threatened release of contaminants at the site;
- (3) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;
- (4) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser using accepted appraisal methodology;

(5) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;

(6) the manner in which the municipality will meet the local match requirement; and

(7) any additional information or material that the commissioner prescribes.

(b) An application for a grant under section 116J.554, subdivision 1, paragraph (b), must include a detailed estimate of the cost of the actions for which the grant is sought, but need not include the information specified in paragraph (a), clauses (2) to (4) and (6).

(c) A response action plan is not required as a condition to receive a grant under section 116J.554, subdivision 1, paragraph (c)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

**S.F. No. 2:** A bill for an act relating to the operation of state government; creating the Minnesota family assets for independence pilot project; appropriating money for economic development, housing, family and early childhood, and related programs; modifying community action program provisions; modifying various programs and projects; providing for a grant limit exception; amending Minnesota Statutes 1996, sections 16B.06, subdivision 2; 115C.09, by adding a subdivision; 268.52, subdivisions 1 and 2; 268.54, subdivision 2; 383B.79, subdivision 1, and by adding a subdivision; and 469.303; Minnesota Statutes 1997 Supplement, sections 115C.09, subdivision 3f; 116J.421, subdivision 1, and by adding a subdivision; 179A.03, subdivision 7; and 268.53, subdivision 5; Laws 1997, chapter 162, article 4, section 63, subdivision 2.

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 51 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Langseth	Pappas	Spear
Beckman	Hottinger	Larson	Piper	Stumpf
Berg	Janezich	Lesewski	Pogemiller	Ten Eyck
Berglin	Johnson, D.E.	Lessard	Price	Terwilliger
Betzold	Johnson, D.J.	Lourey	Ranum	Vickerman
Cohen	Junge	Marty	Robling	Wiener
Dille	Kelley, S.P.	Metzen	Sams	Wiger
Flynn	Kelly, R.C.	Moe, R.D.	Samuelson	
Foley	Kiscaden	Murphy	Scheevel	
Frederickson	Krentz	Novak	Scheid	
Hanson	Laidig	Ourada	Solon	

Those who voted in the negative were:

Belanger	Johnson, D.H.	Limmer	Olson	Stevens
Day	Kleis	Neuville	Pariseau	
Fischbach	Knutson	Oliver	Runbeck	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

**REPORTS OF COMMITTEES**

Mr. Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

**S.F. No. 1:** A bill for an act relating to civil actions; clarifying the effect of the economic loss statute on actions based upon fraud or intentional misrepresentation; amending Minnesota Statutes 1996, section 604.10.

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

**MOTIONS AND RESOLUTIONS - CONTINUED****SUSPENSION OF RULES**

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1 and that the rules of the Senate be so far suspended as to give S.F. No. 1 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 1 was read the second time.

Pursuant to Rule 22, Mr. Kelley, S.P. moved that he be excused from voting on all questions pertaining to S.F. No. 1. The motion prevailed.

Pursuant to Rule 22, Mr. Johnson, D.H. moved that he be excused from voting on all questions pertaining to S.F. No. 1. The motion prevailed.

Mr. Betzold moved to amend S.F. No. 1 as follows:

Page 1, line 25, delete "bar tort"

Page 2, delete lines 1 and 2 and insert "limit any recovery available under section 336.2-721."

Page 2, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

**CALL OF THE SENATE**

Mr. Knutson imposed a call of the Senate for the balance of the proceedings on S.F. No. 1. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Betzold amendment. The motion did not prevail. So the amendment was not adopted.

Mr. Neuville moved to amend S.F. No. 1 as follows:

Page 2, line 2, before the period, insert "where the fraud or misrepresentation is knowing or involves an intent to deceive"

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

**S.F. No. 1:** A bill for an act relating to civil actions; clarifying the effect of the economic loss

statute on actions based upon fraud or intentional misrepresentation; amending Minnesota Statutes 1996, section 604.10.

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 49 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Novak	Scheid
Beckman	Hanson	Larson	Olson	Solon
Belanger	Higgins	Lesewski	Ourada	Stevens
Berg	Janezich	Lessard	Pappas	Stumpf
Berglin	Johnson, D.E.	Limmer	Pariseau	Ten Eyck
Cohen	Johnson, D.J.	Lourey	Pogemiller	Terwilliger
Day	Junge	Marty	Ranum	Vickerman
Dille	Kelly, R.C.	Metzen	Robling	Wiener
Fischbach	Kleis	Moe, R.D.	Sams	Wiger
Foley	Knutson	Murphy	Samuelson	

Those who voted in the negative were:

Betzold	Kiscaden	Neuville	Price	Spear
Flynn	Krentz	Oliver	Runbeck	
Hottinger	Laidig	Piper	Scheevel	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

**Ms. Ranum and Mr. Knutson introduced--**

**S.F. No. 8:** A bill for an act relating to legislative enactments; correcting miscellaneous noncontroversial oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending 1998 H.F. No. 3840, article 8, section 48; article 12, sections 7, subdivision 2; and 9, subdivision 4; article 15, section 22; 1998 H.F. No. 3843, section 7, subdivision 9; Minnesota Statutes 1997 Supplement, section 297A.25, subdivision 11, as amended.

### MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 8 and that the rules of the Senate be so far suspended as to give S.F. No. 8 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 8 was read the second time.

Ms. Ranum moved to amend S.F. No. 8 as follows:



Page 7, after line 45, insert:

"Sec. 7. [CORRECTION 103.] 1998 H.F. No. 3843, section 2, subdivision 8, if enacted, is amended to read:

Subd. 8. Duluth

(a) Library 22,300,000

To construct, furnish, and equip a new library.

(b) Academic Space Renovation 200,000

To design the renovation of vacated academic and laboratory space on the Duluth campus in Heller Hall, MW Alworth Hall, Business and Economics, and the existing library building.

(c) Glensheen Mansion 600,000

For capital repair, reconstruction, or replacement of the foundation and heating, ventilating, and air conditioning system of the Glensheen Mansion, ~~subject to the requirements of Minnesota Statutes, section 16A.695.~~

This appropriation is from the general fund.

Sec. 8. [CORRECTION 103A.] 1998 H.F. No. 3843, section 5, subdivision 3, if enacted, is amended to read:

Subd. 3. Youth Enrichment 5,000,000

(a) For grants to local government units to design, furnish, equip, renovate, replace, or construct parks and recreation facilities and school facilities to provide youth, with preference for youth in grades 4 to 8, with regular enrichment activities during nonschool hours, including after school, evenings, weekends, and school vacation periods, and that will provide equal access and programming for all children. The buildings or facilities may be leased to nonprofit community organizations, ~~subject to Minnesota Statutes, section 16A.695,~~ for the same purposes. Enrichment programs include academic enrichment, homework assistance, computer and technology use, arts and cultural activities, clubs, school-to-work and workforce development, athletic, and recreational activities. Grants must be used to expand the number of children participating in enrichment programs or improve the quality or range of program offerings. The facilities must be fully available for programming sponsored by nonprofit and community groups serving youth, or school, county, or city programs, for maximum hours after school, evenings, weekends, summers, and other school vacation periods. Priority must be given to proposals that demonstrate collaborations among private,

nonprofit, and public agencies, including regional entities dealing with at-risk youth, and community and parent organizations in arranging for programming, staffing, transportation, and equipment. All proposals must include an inventory of existing facilities and an assessment of programming needs in the community.

(b) \$1,000,000 is for enrichment grants within the city of Minneapolis.

(c) \$2,000,000 is for enrichment grants within the city of St. Paul.

(d) \$1,000,000 is for enrichment grants in metropolitan statistical areas outside of the cities of Minneapolis and St. Paul. Priority must be given to school attendance areas with high concentrations of children eligible for free or reduced school lunch and to government units demonstrating a commitment to collaborative youth efforts.

(e) \$1,000,000 is for enrichment grants for areas outside of metropolitan statistical areas and outside of the cities of Minneapolis and St. Paul. Priority must be given to school attendance areas with high concentrations of children eligible for free or reduced school lunch and to government units demonstrating a commitment to collaborative youth efforts.

(f) Each grant must be matched by one dollar from nonstate sources for each two dollars of state money. In-kind contributions of facilities may be used for the local match. The value of in-kind contributions must be determined by the commissioner of finance.

Sec. 9. [CORRECTION 103B.] 1998 H.F. No. 3843, section 7, subdivision 33, if enacted, is amended to read:

Subd. 33. Bald Eagle Center 500,000

To the commissioner of administration for a grant to the city of Wabasha for construction of the American bald eagle center. The city of Wabasha may enter into a lease or management agreement with a nonprofit corporation under ~~Minnesota Statutes, section 16A.695.~~ This appropriation is not available until at least \$1,000,000 has been committed from nonstate sources.

Sec. 10. [CORRECTION 103C.] 1998 H.F. No. 3843, section 15, subdivision 5, if enacted, is amended to read:

Subd. 5. Tennis Facility 800,000

For a grant to the city of St. Paul to design a tennis center to offer indoor tennis facilities;

~~subject to the requirements of Minnesota Statutes, section 16A.695.~~ The center may be constructed only after endorsement by a national governing body member of the United States Olympic Committee.

Sec. 11. [CORRECTION 103D.] 1998 H.F. No. 3843, section 23, subdivision 4, if enacted, is amended to read:

Subd. 4. Phillips Neighborhood Job  
Creation, Green Institute

1,500,000

To the city of Minneapolis for a grant to the Green Institute to design, construct, furnish, and equip a building to house the Phillips Ecoenterprise Center in the Phillips neighborhood in south Minneapolis to create up to 200 jobs in businesses, many of which specialize in energy conservation, renewable energy, environmental technology, recycling, reuse, and related fields. One-half of the job openings must be targeted for persons on public assistance or below 150 percent of the federal poverty level. This grant must be matched on a one-to-one basis from nonstate sources of debt and equity. The city may enter into a lease or management agreement with the Green Institute ~~subject to Minnesota Statutes, section 16A.695.~~

This appropriation is from the general fund.

Sec. 12. [CORRECTION 103E.] 1998 H.F. No. 3843, section 25, subdivision 9, if enacted, is amended to read:

Subd. 9. Treaty Site History  
Center

400,000

For a grant to the Nicollet county historical society to design and construct a new central exhibit at the treaty site history center, ~~subject to the requirements of Minnesota Statutes, section 16A.695.~~ This appropriation is not available until an equal amount has been committed from nonstate sources.

This appropriation is from the general fund.

Sec. 13. [CORRECTION 104.] 1998 S.F. No. 2407, section 31, if enacted, is amended to read:

Sec. 31. [APPROPRIATION.]

\$302,700 is appropriated from the trunk highway fund for fiscal year 1999 to the commissioner of public safety. Of this appropriation:

(1) \$295,000 is for youth-oriented driver improvement clinics and implementation of the graduated licensing system under this act; and

(2) \$7,700 is for implementation of section ~~16~~ 17.

Sec. 14. [CORRECTION 105.] 1998 S.F. No. 3346, article 1, section 2, subdivision 3, if enacted, is amended to read:

## Subd. 3. Basic Health Care Grants

(97,529,000) (146,802,000)

## Summary by Fund

General (94,591,000) (128,833,000)

Health Care Access (2,938,000) (17,969,000)

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

## (a) Minnesota Care Grants

## Health Care Access Fund

(2,938,000) (17,969,000)

~~[SUBSIDIZED FAMILY HEALTH COVERAGE.]~~ Of this appropriation, \$500,000 from the health care access fund in fiscal year 1999 is to implement the employer-subsidized health coverage program described in article 5, section 45.

## (b) MA Basic Health Care Grants-Families and Children

General (32,047,000) (65,249,000)

[FETAL ALCOHOL SYNDROME MEDICAL ASSISTANCE FEDERAL MATCH.] The commissioner shall claim all available federal match under Title XIX for the fetal alcohol syndrome/fetal alcohol effect initiatives. Grants and projects shall be developed which focus treatment on community-based options which consider the availability of federal match.

## (c) MA Basic Health Care Grants-Elderly and Disabled

General (25,643,000) (40,952,000)

## (d) General Assistance Medical Care

General (36,901,000) (22,632,000)

[PRESCRIPTION DRUG BENEFIT.] (a) If, by September 15, 1998, federal approval is obtained to provide a prescription drug benefit for qualified Medicare beneficiaries at no less than 100 percent of the federal poverty guidelines and service-limited Medicare beneficiaries under Minnesota Statutes, section 256B.057, subdivision 3a, at no less than 120 percent of federal poverty guidelines, the commissioner of human services shall not implement the senior citizen drug program under Minnesota Statutes, section 256.955, but shall implement a drug benefit in accordance with the approved waiver. Upon approval of this waiver, the total appropriation for the senior citizen drug program under Laws 1997, chapter 225, article 7, section

2, shall be transferred to the medical assistance account to fund the federally approved coverage for eligible persons for fiscal year 1999.

(b) The commissioner may seek approval for a higher copayment for eligible persons above 100 percent of the federal poverty guidelines.

(c) The commissioner shall report by October 15, 1998, to the chairs of the health and human services policy and fiscal committees of the house and senate whether the waiver referred to in paragraph (a) has been approved and will be implemented or whether the state senior citizen drug program will be implemented.

(d) If the commissioner does not receive federal waiver approval at or above the level of eligibility defined in paragraph (a), the commissioner shall implement the program under Minnesota Statutes, section 256.955.

[HEALTH CARE ACCESS FUND TRANSFERS TO THE GENERAL FUND.]

Notwithstanding Laws 1997, chapter 203, article 1, section 2, subdivision 5, the commissioner shall transfer funds from the health care access fund to the general fund to offset the projected savings to general assistance medical care (GAMC) that would result from the transition of GAMC parents and adults without children to MinnesotaCare. For fiscal year 1998, the amount transferred from the health care access fund to the general fund shall be \$13,700,000. The amount of transfer for fiscal year 1999 shall be \$2,659,000.

Sec. 15. [CORRECTION 105A.] 1998 S.F. No. 3346, article 3, section 23, if enacted, is amended to read:

Sec. 23. [RECOMMENDATIONS TO IMPLEMENT NEW REIMBURSEMENT SYSTEM.]

(a) By January 15, 1999, the commissioner shall make recommendations to the chairs of the health and human services policy and fiscal committees on the repeal of specific statutes and rules as well as any other additional recommendations related to implementation of sections ~~11 and 12~~ 14 and 16.

(b) In developing recommendations for nursing facility reimbursement, the commissioner shall consider making each nursing facility's total payment rates, both operating and property rate components, prospective. The commissioner shall involve nursing facility industry and consumer representatives in the development of these recommendations.

(c) In making recommendations for ICF/MR reimbursement, the commissioner may consider methods of establishing payment rates that take into account individual client costs and needs, include provisions to establish links between performance indicators and reimbursement and other performance incentives, and allow local control over resources necessary for local agencies to set rates and contract with ICF/MR facilities. In addition, the commissioner may establish methods that provide information to consumers regarding service quality as measured by performance indicators. The commissioner shall involve ICF/MR industry and consumer representatives in the development of these recommendations.

Sec. 16. [CORRECTION 105B.] 1998 S.F. No. 3346, article 6, section 119, if enacted, is amended to read:

Sec. 119. [EFFECTIVE DATES.]

(a) Sections 2, 3, 4, 7, 8, 19, 90, 95, ~~and 102~~, and 112 are effective the day following final enactment.

(b) Section 9 is effective June 1, 1998.

(c) Section 10 is effective October 1, 1998.

(d) Section 50 is effective for all applications for MFIP-S made on or after July 1, 1998.

(e) Section 12 is effective March 30, 1998.

(f) Section 51 is effective for MFIP-S applications received on or after January 1, 1999, and for all MFIP-S recertifications occurring on or after January 1, 1999.

Sec. 17. [CORRECTION 106.] Minnesota Statutes 1996, section 124A.22, subdivision 14, as amended by 1998 S.F. No. 2082, article 12, section 5, and 1998 H F. No. 2874, article 1, section 31, if enacted, is amended to read:

Subd. 14. [GRADUATION STANDARDS IMPLEMENTATION REVENUE.] (a) A school district's graduation standards implementation revenue is equal to \$52 times its actual pupil units for fiscal year 1999 plus \$14 times its actual pupil units for fiscal year 1999 if the district implements the graduation rule under section 121.1114, paragraph (b), and \$43 per pupil unit for all districts for fiscal year 2000 and later. Graduation standards implementation revenue is reserved and must be used according to paragraphs (b) and (c).

(b) For fiscal year 1999, revenue must be reserved for programs according to clauses (1) to (3).

(1) At least \$20 per actual pupil unit plus \$14 per actual pupil unit for a district that implements the graduation rule under section 121.1114, paragraph (b), must be allocated to school sites in proportion to the number of students enrolled at each school site weighted according to section 124.17, subdivision 1, and is reserved for programs designed to enhance the implementation of the graduation rule through intensive staff development and decentralized decision making.

(2) At least \$5 per actual pupil unit is reserved for gifted and talented programs that are integrated with the graduation rule. This aid must supplement, not supplant, money spent on gifted and talented programs authorized under Laws 1997, First Special Session chapter 4, article 5, section 24.

(3) Remaining aid under this paragraph must be used:

(i) for technology purposes including wiring, network connections, and other technology-related infrastructure improvements; purchase or lease of computer software and hardware to be used in classrooms and for instructional purposes; purchase or lease of interactive television network equipment and network support; purchase or lease of computer software and hardware designed to support special needs programming and limited English proficiency programming; network and technical support; and purchase of textbooks and other instructional materials; or

(ii) to reduce class size.

(c) For fiscal year 2000 and later, revenue must be allocated to school sites in proportion to the number of students enrolled at each school site weighted according to section 124.17, subdivision 1, and reserved for programs designed to enhance the implementation of the graduation rule through: (1) staff development programs; (2) technology purposes under paragraph (b), clause (3); (3) gifted and talented programs; or (4) class size reduction programs based at the school site.

(d) To the extent possible, school districts shall make opportunities for graduation standards implementation available to teachers employed by intermediate school districts. If the

commissioner determines that the supplemental appropriation made for this subdivision under section 40, subdivision 2, is in excess of the amount needed for this subdivision, the commissioner shall make equal payments of one-third of the excess to each intermediate school district for the purpose of paragraph (a).

(e) A district that qualifies for the referendum allowance reduction under section 124A.03, subdivision 3c, and whose ~~authority~~ referendum allowance under section 124A.03, subdivision 1b, as adjusted under section 124A.03, subdivisions 1c and 3c, does not exceed the referendum allowance limit under section 124A.03, subdivision 1c, clause (2), shall receive a graduation standards implementation equity adjustment. In fiscal year 1999, the equity adjustment aid is equal to \$34 per actual pupil unit. In fiscal year 2000 and thereafter, the equity adjustment is equal to \$25 per actual pupil unit.

Sec. 18. [CORRECTION 106A.] Minnesota Statutes 1997 Supplement, section 124A.28, subdivision 1a, as amended by 1998 H.F. No. 2874, article 1, section 35, if enacted, is amended to read:

Subd. 1a. [BUILDING ALLOCATION.] (a) ~~For fiscal years 1999 and 2000, upon approval by the commissioner, A district must allocate at least the difference between its compensatory revenue for that year and 95 percent of the amount of compensatory revenue that the district would have received under section 124A.22, subdivision 3, for fiscal year 1998 computed using a basic formula allowance of \$3,281 to each school building in the district where the children who have generated the revenue are served.~~

(b) ~~Notwithstanding paragraph (a), for fiscal years 1999 and 2000, upon approval by the commissioner, a district may allocate compensatory revenue not otherwise allocated under paragraph (a) up to five percent of the amount of compensatory revenue that the district would have received under section 124A.22, subdivision 3, for fiscal year 1998 to school sites accordingly according to a plan adopted by the school board.~~

(c) For the purposes of this section and section 124.17, subdivision 1d, "building" means education site as defined in section 123.951, subdivision 1.

(d) If the pupil is served at a site other than one owned and operated by the district, the revenue shall be paid to the district and used for services for pupils who generate the revenue.

Sec. 19. [CORRECTION 106B.] Minnesota Statutes 1996, section 124A.29, subdivision 1, as amended by 1998 H.F. No. 2874, article 1, section 36, if enacted, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT REVENUE.] A district is required to reserve an amount equal to at least one percent of the ~~basic formula allowance revenue~~ under section 124A.22, subdivision 2, for in-service education for programs under section 126.77, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 126.70, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, and other related costs for staff development efforts. Districts may expend an additional amount of basic revenue for staff development based on their needs. The school board shall initially allocate 50 percent of the revenue to each school site in the district on a per teacher basis, which shall be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue shall be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A grant may be used for any purpose authorized under section 126.70, 126.77, subdivision 2, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

Sec. 20. [CORRECTION 106C.] 1998 H.F. No. 2874, article 1, section 44, subdivision 2, if enacted, is amended to read:

Subd. 2. [GROWTH FACTOR.] A school district's growth factor equals the ratio of:

(1) its fiscal year 1999 compensatory revenue per actual pupil unit for that year less the amount of compensatory revenue divided by the district's actual pupil units for fiscal year 1998 that the district would have received under Minnesota Statutes 1996, section 124A.22, subdivision 3, for fiscal year 1998 computed using a basic formula allowance of \$3,281; to

(2) the amount of compensatory revenue divided by the district's actual pupil units for fiscal year 1998 that the district would have received under Minnesota Statutes 1996, section 124A.22, subdivision 3, for fiscal year 1998 computed using a basic formula allowance of \$3,281.

Sec. 21. [CORRECTION 106D.] 1998 H.F. No. 2874, article 1, section 52, if enacted, is amended to read:

Sec. 52. [EFFECTIVE DATES.]

- (a) Sections 1, 2, 15, 16, 17, 37, 38, and 40 are effective July 1, 1998.
- (b) Sections 4, 5, 8, 9, 12, 13, 25, 41, 42, and 43 are effective for revenue for fiscal year 1998.
- (c) Section 7 is effective retroactively to July 1, 1997, for revenue for fiscal year 1999.
- (d) Sections 10, 11, 26, 27, 28, 31, 34, and 35 are effective for revenue for fiscal year 1999.
- (e) ~~Section~~ Sections 3 and 14 ~~is are~~ effective July 1, 1999.
- (f) Section 18 is effective for revenue for fiscal year 2000.
- (g) Section 21 is effective retroactive for revenue for fiscal year 1997.
- (h) Sections 24, 33, and 46 are effective the day following final enactment.
- (i) Section 32 is effective for revenue for fiscal year 2001.

Sec. 22. [CORRECTION 106E.] 1998 H.F. No. 2874, article 4, section 16, if enacted, is amended to read:

Sec. 16. [TAX LEVY FOR DEBT SERVICE.]

To pay the principal of and interest on bonds issued under section ~~13~~ 15, independent school district No. 625, St. Paul, must levy a tax annually in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 23. [CORRECTION 106F.] 1998 H.F. No. 2874, article 5, section 54, subdivision 4, if enacted, is amended to read:

Subd. 4. [YOUTH ATHLETIC DEMONSTRATION PROGRAM.] For a grant to special school district No. 1, Minneapolis, and the Minneapolis park and recreation board to establish a youth athletic demonstration program under section ~~26~~ 45:

\$ 100,000	.....	1999
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Sec. 24. [CORRECTION 106G.] 1998 H.F. No. 2874, article 5, section 54, subdivision 6, if enacted, is amended to read:

Subd. 6. [CLEARINGHOUSE OF BEST EDUCATIONAL PRACTICES.] For a clearinghouse of best educational practices according to section ~~19~~ 42:

\$2,000,000	.....	1999
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Of this amount, \$500,000 is for a contract with an institution of higher education for the purposes of Minnesota Statutes, section 121.1115, ~~subdivisions~~ subdivision 1b and 1e.



Sec. 25. [CORRECTION 107.] Minnesota Statutes 1997 Supplement, section 626.556, subdivision 10f, as amended by Laws 1997, Third Special Session chapter 3, section 10, is amended to read:

Subd. 10f. [NOTICE OF DETERMINATIONS.] Within ten working days of the conclusion of an assessment, the local welfare agency shall notify the parent or guardian of the child, the person determined to be maltreating the child, and if applicable, the director of the facility, of the determination and a summary of the specific reasons for the determination. The notice must also include a certification that the information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section. In addition, the notice shall include the length of time that the records will be kept under subdivision 11c. ~~When there is no determination of either maltreatment or a need for services, the notice shall also include the alleged perpetrator's right to have the records destroyed.~~ The investigating agency shall notify the parent or guardian of the child who is the subject of the report, and any person or facility determined to have maltreated a child, of their appeal rights under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 8 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

#### MOTIONS AND RESOLUTIONS - CONTINUED

**Messrs. Moe, R.D. and Day introduced--**

**Senate Resolution No. 4:** A Senate resolution relating to adjournment of the Special Session.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate shall notify the Governor and the House of Representatives that the Senate is about to adjourn the Special Session sine die.

The Secretary of the Senate may correct and approve the Journal of the Senate for the Special Session.

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

**MEMBERS EXCUSED**

Mr. Murphy was excused from the Session of today from 8:00 a.m to 2:00 p.m. and at 4:00 p.m. Mrs. Robling was excused from the Session of today from 8:30 to 8:40 a.m. Messrs. Johnson, D.H. and Novak were excused from the Session of today from 8:30 to 10:30 a.m. Mrs. Pariseau was excused from the Session of today from 1:00 to 2:50 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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