

Subd. 3. REDUCTION BY ALTERNATIVE MINIMUM TAX LIABILITY. The amount of the credit allowed must be reduced by the amount of the taxpayer's liability under section 290.091, determined before the credit allowed by this section is subtracted from regular tax liability.

Subd. 4. CREDIT TO BE REFUNDABLE. If the amount of credit that the claimant is eligible to receive under this section exceeds the claimant's tax liability under this chapter, the commissioner shall refund the excess to the claimant.

Subd. 5. APPROPRIATION. An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

Sec. 4. SEVERABILITY CLAUSE.

If a court of competent jurisdiction enjoins the implementing of any provision in this article or finds any provision in this article unconstitutional, the remaining sections in this article and the remaining articles in this act shall remain valid and shall be given full effect.

Sec. 5. EFFECTIVE DATE.

Subdivision 1. CONTINGENCY. This article is effective for tax years beginning after December 31, 1997, if on the basis of the November 1997 forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium after taking into account the costs of sections 1 to 3 and after meeting the requirements of Minnesota Statutes, section 16A.152, subdivision 2, clause (a).

Subd. 2. SUSPENSION. Minnesota Statutes, section 16A.152, subdivision 2, clauses (b) and (c), are not to be implemented for the forecast of general fund revenues and expenditures in November 1997 until sections 1 to 3 are implemented. However, if the November 1997 forecast does not provide an unrestricted general fund balance adequate to implement sections 1 to 3, the provisions of Minnesota Statutes, section 16A.152, subdivision 2, clauses (b) and (c), are effective.

Presented to the governor June 27, 1997

Signed by the governor June 30, 1997, 1:33 p.m.

CHAPTER 5—S.F.No. 5

An act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1996, sections 62I.54, as amended; 69.021, subdivision 10, as amended; 119A.04, subdivision 6, as amended; 119B.05, subdivision 1, as amended; 119B.13, subdivision 6, as added; 124.239, subdivision 5, as amended, and subdivision 5a, as added, and by adding; 124.2601, subdivision 5, as amended; 254B.03, subdivision 1, as amended; 256.045, subdivision 1, as amended; 256.98, subdivision 1, as amended, and by adding a subdivision; 268.121, as

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amended; 270.60, subdivision 4, as added; 273.126, subdivision 2, as added; 273.1382, subdivision 1, as amended; 297A.25, subdivision 71, as added; 326.71, subdivision 4, as amended; 518.6111, subdivision 13, as added; Laws 1995, chapter 248, article 13, section 4, subdivision 2; Laws 1997, chapter 84, article 3, section 9; chapter 85, article 1, section 62; chapter 106, article 1, section 19; chapter 113, section 6, subdivision 5; chapter 162, article 2, section 31, subdivision 9, and article 4, section 63, subdivision 5; chapter 200, article 1, sections 5, subdivision 4 and 75; chapter 202, article 1, section 13; chapter 203, article 1, section 2, subdivision 8, and by adding sections, and section 3, subdivision 2; article 6, section 94; chapter 231, article 1, section 16; article 1, section 19; subdivision 1; article 2, section 65; article 3, sections 3, subdivision 5, 4, subdivisions 2 and 3; 5, subdivision 2; article 7, section 47; article 8, section 16; article 16, section 31; chapter 239, article 1, section 12, subdivision 4; article 3, sections 25 and 26; and chapter 248, section 46; repealing Minnesota Statutes 1996, section 256.73, subdivisions 1 and 1b; Laws 1997, chapter 231, article 1, section 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1996, section 326.71, subdivision 4, as amended by Laws 1997, chapter 205, section 32, is amended to read:

Subd. 4. **ASBESTOS-RELATED WORK.** "Asbestos-related work" means the enclosure, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 lineal linear feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or, if linear feet or square feet cannot be measured, a total of 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, removal, or encapsulation of greater than ten but less than 260 linear feet of friable asbestos-containing material on pipes, greater than six but less than 160 square feet of friable asbestos-containing material on other facility components, or, if linear feet or square feet cannot be measured, greater than one cubic foot but less than 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. This provision excludes asbestos-containing floor tiles and sheeting, roofing materials, siding, and all ceilings with asbestos-containing material in single family residences and buildings with no more than four dwelling units. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, or encapsulation operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

For purposes of this subdivision, the quantity of asbestos containing material applies separately for every project.

Sec. 2. Laws 1997, chapter 113, section 6, subdivision 5, is amended to read:

Subd. 5. **LICENSE FEES.** The license fees for assisted living home care providers shall be as follows:

- (1) \$125 annually for those providers serving a monthly average of 15 or fewer clients, and for assisted living providers of all sizes during the first year of operation;
 - (2) \$200 annually for those providers serving a monthly average of 16 to 30 clients;
 - (3) \$375 annually for those providers serving a monthly average of 31 to 50 clients;
- and

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(4) \$625 annually for those providers serving a monthly average of ~~50~~ 51 or more clients.

Sec. 3. Laws 1997, chapter 202, article 1, section 13, is amended to read:

Sec. 13. OFFICE OF TECHNOLOGY	5,161,000	2,777,000
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\$2,326,000 the first year and \$2,377,000 the second year are for the administrative operations of the office of technology.

\$935,000 the first year is for the North Star online information service under new Minnesota Statutes, section 16E.07. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$500,000 the first year is to develop an electronic system to allow the public to retrieve by computer business license information prepared by the commissioner of trade and economic development, as required by new Minnesota Statutes, section 16E.08. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium. The executive director shall report to the legislature by January 15, 1998, on progress of the project.

\$400,000 the first year and \$400,000 the second year are to develop a United Nations trade point in the state under new Minnesota Statutes, section 16E.11. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$500,000 the first year is to support activities associated with a plenipotentiary conference of the International Telecommunications Union.

\$500,000 the first year is to operate the Internet Center under new Minnesota Statutes, section 16E.12, and to develop community technology resources under new Minnesota Statutes, section 16E.13. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

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Sec. 4. Laws 1997, chapter 203, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Health Systems and Special Populations		48,517,000	48,233,000
	Summary by Fund		
General	39,295,000	38,998,000	
State Government			
Special Revenue	9,222,000	9,235,000	

FEES; DRUG AND ALCOHOL COUNSELOR LICENSE. When setting fees for the drug and alcohol counselor license, the department is exempt from Minnesota Statutes, section 16A.1285, subdivision 2.

STATE VITAL STATISTICS REDESIGN PROJECT ACCOUNT. The amount appropriated from the state government special revenue fund for the vital records redesign project shall be available until expended for development and implementation.

WIC PROGRAM. Of this appropriation, \$650,000 in 1998 is provided to maintain services of the program, \$700,000 in 1998 and \$700,000 in 1999 is added to the base level funding for the WIC food program in order to maintain the existing level of the program, and \$100,000 in 1998 is for the commissioner to develop and implement an outreach program to apprise potential recipients of the WIC food program of the importance of good nutrition and the availability of the program.

WIC TRANSFERS. General fund appropriations for the women, infants, and children (WIC) food supplement program are available for either year of the biennium. Transfers of appropriations between fiscal years must be for the purpose of maximizing federal funds or minimizing fluctuations in the number of participants.

LOCAL PUBLIC HEALTH FINANCING. Of the general fund appropriation, \$5,000,000 each year shall be disbursed for local public health financing and shall be dis-

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tributed according to the community health service subsidy formula in Minnesota Statutes, section 145A.13.

MINNESOTA CHILDREN WITH SPECIAL HEALTH NEEDS CARRYOVER.

General fund appropriations for treatment services in the services for children with special health care needs program are available for either year of the biennium.

HEALTH CARE ASSISTANCE FOR DISABLED CHILDREN INELIGIBLE FOR SSI. Notwithstanding the requirements of Minnesota Rules, part 4705.0100, subpart 14, children who: (a) are eligible for medical assistance as of June 30, 1997, and become ineligible for medical assistance due to changes in supplemental security income disability standards for children enacted in (PRWORA) Public Law Number 104-193; and (b) are not eligible for MinnesotaCare, are eligible for health care services through Minnesota services for children with special health care needs under Minnesota Rules, parts 4705.0100 to 4705.1600 for the fiscal year ending June 30, 1998, until eligibility for medical assistance is reestablished. The commissioner of health shall report to the legislature by March 1, 1998, on the number of children eligible under this provision, their health care needs, family income as a percentage of the federal poverty level, the extent to which families have employer-based health coverage, and recommendations on how to meet the future needs of children eligible under this provision.

AMERICAN INDIAN DIABETES. Of this appropriation, \$90,000 each year shall be disbursed for a comprehensive school-based intervention program designed to reduce the risk factors associated with diabetes among American Indian school children in grades 1 through 4. The appropriation for 1998 may be carried forward to 1999. The appropriation for fiscal year 1999 is available only if matched by \$1 of nonstate money for each \$1 of the appropriation and

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may be expended in either year of the biennium. The commissioner shall convene an American Indian diabetes prevention advisory task force. The task force must include representatives from the American Indian tribes located in the state and urban American Indian representatives. The task force shall advise the commissioner on the adaptation of curricula and the dissemination of information designed to reduce the risk factors associated with diabetes among American Indian school children in grades 1 through 4. The curricula and information must be sensitive to traditional American Indian values and culture and must encourage full participation by the American Indian community.

HOME VISITING PROGRAMS. (a) Of this appropriation, \$140,000 in 1998 and \$870,000 in 1999 is for the home visiting programs for infant care under Minnesota Statutes, section 145A.16. These amounts are available until June 30, 1999.

(b) Of this appropriation, \$225,000 in 1998 and \$180,000 in 1999 is to continue funding the home visiting programs that received one-year funding under Laws ~~1995~~ 1996, chapter ~~480~~ 408, article 1, section 9. This amount is available until expended.

FETAL ALCOHOL SYNDROME. Of the general fund appropriation, \$625,000 each year of the biennium shall be disbursed to prevent and reduce harm from fetal alcohol syndrome and fetal alcohol effect.

COMPLAINT INVESTIGATIONS. Of the appropriation, \$127,000 each year from the state government special revenue fund, and \$75,000 each year from the general fund, is for the commissioner to conduct complaint investigations of nursing facilities, hospitals and home health care providers.

COMPLEMENTARY MEDICINE STUDY. (a) Of the general fund appropriation, \$20,000 in fiscal year 1998 shall be disbursed for the commissioner of health, in consultation with the commissioner of com-

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merce, to conduct a study based on existing literature, information, and data on the scope of complementary medicine offered in this state. The commissioner shall:

- (1) include the types of complementary medicine therapies available in this state;
- (2) contact national and state complementary medicine associations for literature, information, and data;
- (3) conduct a general literary review for information and data on complementary medicine;
- (4) contact the departments of commerce and human services for information on existing registrations, licenses, certificates, credentials, policies, and regulations; and
- (5) determine by sample, if complementary medicine is currently covered by health plan companies and the extent of the coverage.

In conducting this review, the commissioner shall consult with the office of alternative medicine through the National Institute of Health.

(b) The commissioner shall, in consultation with the advisory committee, report the study findings to the legislature by January 15, 1998. As part of the report, the commissioner shall make recommendations on whether the state should credential or regulate any of the complementary medicine providers.

(c) The commissioner shall appoint an advisory committee to provide expertise and advice on the study. The committee must include representation from the following groups: health care providers, including providers of complementary medicine; health plan companies; and consumers. The advisory committee is governed by Minnesota Statutes, section 15.059, for membership terms and removal of members.

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(d) For purposes of this study, the term "complementary medicine" includes, but is not limited to, acupuncture, homeopathy, manual healing, macrobiotics, naturopathy, biofeedback, mind/body control therapies, traditional and ethnomedicine therapies, structural manipulations and energetic therapies, bioelectromagnetic therapies, and herbal medicine.

DOWN'S SYNDROME. Of the general fund appropriation, \$15,000 in fiscal year 1998 shall be disbursed for a grant to a non-profit organization that provides support to individuals with Down's Syndrome and their families, for the purpose of providing all obstetricians, certified nurse-midwives, and family physicians licensed to practice in this state with informational packets on Down's Syndrome. The packets must include, at a minimum, a fact sheet on Down's Syndrome, a list of counseling and support groups for families with children with Down's Syndrome, and a list of special needs adoption resources. The informational packets must be made available to any pregnant patient who has tested positive for Down's Syndrome, either through a screening test or amniocentesis.

NEWBORN SCREENING FOR HEARING LOSS PROGRAM IMPLEMENTATION PLAN. (a) Of the general fund appropriation, \$18,000 in fiscal year 1998 shall be disbursed to pay the costs of coordinating with hospitals, the medical community, audiologists, insurance companies, parents, and deaf and hard-of-hearing citizens to establish and implement a voluntary plan for hospitals and other health care facilities to screen all infants for hearing loss.

(b) The plan to achieve universal screening of infants for hearing loss on a voluntary basis shall be formulated by a department work group, including the following representatives:

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- (1) a representative of the health insurance industry designated by the health insurance industry;
- (2) a representative of the Minnesota Hospital and Healthcare Partnership;
- (3) a total of two representatives from the following physician groups designated by the Minnesota Medical Association: pediatrics, family practice, and ENT;
- (4) two audiologists designated by the Minnesota Speech–Language–Hearing Association and the Minnesota Academy of Audiology;
- (5) a representative of hospital neonatal nurseries;
- (6) a representative of part H (IDEA) early childhood special education;
- (7) the commissioner of health or a designee;
- (8) a representative of the department of human services;
- (9) a public health nurse;
- (10) a parent of a deaf or hard-of-hearing child;
- (11) a deaf or hard-of-hearing person; and
- (12) a representative of the Minnesota commission serving deaf and hard-of-hearing people.

Members of the work group shall not collect a per diem or compensation as provided in Minnesota Statutes, section 15.0575.

(c) The plan shall include measurable goals and timetables for the achievement of universal screening of infants for hearing loss throughout the state and shall include the design and implementation of needed training to assist hospitals and other health care facilities screen infants for hearing loss according to recognized standards of care.

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(d) The work group shall report to the legislature by January 15, 1998, concerning progress toward the achievement of universal screening of infants in Minnesota for the purpose of assisting the legislature to determine whether this goal can be accomplished on a voluntary basis.

INFANT HEARING SCREENING PROGRAM. Of the general fund appropriation, \$25,000 in fiscal year 1998 shall be disbursed for a grant to a hospital in Staples, Minnesota, for the infant hearing screening program.

NURSING HOMES DAMAGED BY FLOODS. The commissioner shall conduct an expedited process under Minnesota Statutes, section 144A.073, solely to review nursing home moratorium exceptions necessary to repair or replace nursing facilities damaged by spring flooding in 1997. The commissioner may not issue a request for proposals for moratorium projects not related to spring flooding until this expedited process is completed. For facilities that require total replacement and the relocation of residents to other facilities during construction, the operating cost payment rates for the new facility shall be determined using the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of Minnesota Statutes, section 256B.431, except that subdivision 25, paragraphs (b), clause (3), and (d), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under Minnesota Rules, chapter 9549, taking into account any federal or state flood-related loans or grants provided to a facility. The medical assistance costs of this paragraph shall be paid from the amount made available in section 2 of this article for moratorium exceptions. This paragraph is effective the day following final enactment and is not subject to section 13 of this article.

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Sec. 5. **CORRECTION 30.** Laws 1997, chapter 239, article 3, section 25, is amended to read:

Sec. 25. **REPEALER.**

(a) Minnesota Statutes 1996, sections 119A.30; 145.406; ~~244.09, subdivision 11a; and 609.684, subdivision 2,~~ are repealed.

(b) Minnesota Statutes 1996, section 244.09, subdivision 11a, is repealed.

Sec. 6. **CORRECTION 30A.** Laws 1997, chapter 239, article 3, section 26, is amended to read:

Sec. 26. **EFFECTIVE DATE.**

Sections 1 to 20, and 25, paragraph (a), are effective August 1, 1997, and apply to crimes committed on or after that date. Sections 21 to 23 are effective August 1, 1997, and apply to proceedings conducted on or after that date. Section 25, paragraph (b), is effective August 1, 1997. Section 24 is effective July 1, 1997.

Sec. 7. **CORRECTION 36.** Minnesota Statutes 1996, section 268.121, as amended by Laws 1997, chapter 74, section 1, is amended to read:

268.121 **WAGE REPORTING.**

(a) Each employer shall provide the commissioner with a quarterly wage detail report that shall include for each employee the employee's name, social security number, the total wages paid to the employee, and total number of paid hours worked. For employees exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the employer shall report 40 hours worked for each week any duties were performed by a full-time employee and shall report a reasonable estimate of the hours worked for each week duties were performed by a part-time employee. The report is due and must be filed on or before the last day of the month following the end of the calendar quarter.

(b) An employer need not include the name of the employee or other required information on the wage detail report if disclosure is specifically exempted by federal law.

Sec. 8. **CORRECTION 37.** Minnesota Statutes 1996, section 69.021, subdivision 10, as amended by Laws 1997, chapter 233, article 1, section 11, and Laws 1997, chapter 241, article 1, section 7, is amended to read:

Subd. 10. **REDUCTION IN POLICE STATE AID APPORTIONMENT.** (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and 7a, for eligible employer units by any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

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(2) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police consolidation account governed by chapter 353A, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), plus the amount of the employer's total prior calendar year obligation under section 353A.09, subdivision 5, paragraphs (a) and (b), as certified by the executive director of the public employees retirement association;

(3) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police relief association governed by sections 69.77 and 423A.01, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount of the financial requirements of the relief association certified to the applicable municipality during the prior calendar year under section 69.77, subdivisions 2b and 2c, reduced by the amount of member contributions deducted from the covered salary of the relief association during the prior calendar year under section 69.77, subdivision 2a, as certified by the chief administrative officer of the applicable municipality;

(4) for the metropolitan airports commission, if there are police officers hired before July 1, 1978, with retirement coverage by the Minneapolis employees retirement fund remaining, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount determined by expressing the commission's total prior calendar year contribution to the Minneapolis employees retirement fund under section 422A.101, subdivisions 2 and 2a, as a percentage of the commission's total prior calendar year covered payroll for commission employees covered by the Minneapolis employees retirement fund and applying that percentage to the commission's total prior calendar year covered payroll for commission police officers covered by the Minneapolis employees retirement fund, as certified by the chief administrative officer of the metropolitan airports commission; and

(5) for the department of natural resources and for the department of public safety, the amount in excess of the employer's total prior calendar year obligation under section 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011, subdivision 1, clause (g), as certified by the executive director of the Minnesota state retirement system.

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivision 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not to exceed for those firefighters the applicable following amount:

municipality	maximum amount
Albert Lea	\$54,157.01
Anoka	10,399.31
Apple Valley	5,442.44

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Austin	49,864.73
Bemidji	27,671.38
Brooklyn Center	6,605.92
Brooklyn Park	24,002.26
Burnsville	15,956.00
Cloquet	4,260.49
Coon Rapids	39,920.00
Cottage Grove	8,588.48
Crystal	5,855.00
East Grand Forks	51,009.88
Edina	32,251.00
Elk River	5,216.55
Ely	13,584.16
Eveleth	16,288.27
Fergus Falls	6,742.00
Fridley	33,420.64
Golden Valley	11,744.61
Hastings	16,561.00
Hopkins	4,324.23
International Falls	14,400.69
Lakeville	782.35
Lino Lakes	5,324.00
Little Falls	7,889.41
Maple Grove	6,707.54
Maplewood	8,476.69
Minnetonka	10,403.00
Montevideo	1,307.66
Moorhead	68,069.26
New Hope	6,739.72
North St. Paul	4,241.14
Northfield	770.63
Owatonna	37,292.67
Plymouth	6,754.71
Red Wing	3,504.01
Richfield	53,757.96
Rosemount	1,712.55
Roseville	9,854.51
St. Anthony	33,055.00
St. Louis Park	53,643.11
Thief River Falls	28,365.04
Virginia	31,164.46
Waseca	11,135.17
West St. Paul	15,707.20
White Bear Lake	6,521.04
Woodbury	3,613.00
any other municipality	0.00

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(d) The total amount of excess police state aid must be deposited in the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.

Sec. 9. **CORRECTION 38.** Laws 1997, chapter 200, article 1, section 75, is amended to read:

Sec. 75. **EFFECTIVE DATE.**

Section Sections 35 is and 70 are effective the day following final enactment.

Sec. 10. **CORRECTION 39.** Laws 1997, chapter 248, section 46, is amended to read:

Sec. 46. **UNLICENSED CHILD CARE PROVIDERS; INTERIM EXPANSION.**

(a) Notwithstanding Minnesota Statutes, section 245A.03, subdivision 2, clause (2), until June 30, 1999, nonresidential child care programs or services that are provided by an unrelated individual to persons from two or three other unrelated families are excluded from the licensure provisions of Minnesota Statutes, chapter 245A, provided that:

(1) the individual provides services at any one time to no more than four children who are unrelated to the individual;

(2) no more than two of the children are under two years of age; and

(3) the total number of children being cared for at any one time does not exceed five.

(b) Paragraph (a), clauses (1) and (2) to (3), do not apply to nonresidential programs that are provided by an unrelated individual to persons from a single related family.

Sec. 11. **CORRECTION 40.** Laws 1997, chapter 85, article 1, section 62, is amended to read:

Sec. 62. **DISCONTINUATION OF WAIVERS.**

If the federal government refuses to continue waivers granted on or before August 14 22, 1996, or if the federal government refuses to modify such waivers as requested by the department of human services, then the department of human services may implement the MFIP-S program in compliance with the federal mandate until the end of the next legislative session. The department of human services shall publish its decision to implement the federal mandate in the State Register and propose legislation to address the conflict in the next legislative session.

Sec. 12. **CORRECTION 41. REPEALER.**

Minnesota Statutes 1996, section 256.73, subdivisions 1 and 1b, are repealed effective July 1, 1997.

Sec. 13. **CORRECTION 42.** Minnesota Statutes 1996, section 256.046, subdivision 1, as amended by Laws 1997, chapter 85, article 5, section 6, is amended to read:

Subdivision 1. **HEARING AUTHORITY.** A local agency shall initiate an administrative fraud disqualification hearing for individuals accused of wrongfully obtaining

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assistance or intentional program violations, in lieu of a criminal action when it has not been pursued, in the aid to families with dependent children, MFIP-S, child care, general assistance, family general assistance, Minnesota supplemental aid, medical care, or food stamp programs. The hearing is subject to the requirements of section 256.045 and the requirements in Code of Federal Regulations, title 7, section 273.16, for the food stamp program and title 45, section 235.112, as of September 30, 1995, for the cash grant and medical care programs.

Sec. 14. **CORRECTION 42A.** Minnesota Statutes 1996, section 256.98, subdivision 1, as amended by Laws 1997, chapter 85, article 5, section 8, is amended to read:

Subdivision 1. **WRONGFULLY OBTAINING ASSISTANCE.** A person who commits any of the following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897, 256.12, 256.031 to 256.361, 256.72 to 256.871, 256.9351 to 256.966, child care, MFIP-S, chapter 256B, 256D, 256J, or 256K, or all of these sections, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses (1) to (5):

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of any material fact, or by impersonation or other fraudulent device, assistance or the continued receipt of assistance, to include child care or vouchers produced according to sections 145.891 to 145.897 and MinnesotaCare services according to sections 256.9351 to 256.966, to which the person is not entitled or assistance greater than that to which the person is entitled;

(2) knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency with intent to defeat the purposes of sections 145.891 to 145.897, 256.12, 256.031 to 256.0361, 256.72 to 256.871, 256.9351 to 256.966, child care, the MFIP-S, chapter 256B, 256D, 256J, or 256K, or all of these sections.

The continued receipt of assistance to which the person is not entitled or greater than that to which the person is entitled as a result of any of the acts, failure to act, or concealment described in this subdivision shall be deemed to be continuing offenses from the date that the first act or failure to act occurred.

Sec. 15. **CORRECTION 42B.** Minnesota Statutes 1996, section 256.98, is amended by adding a subdivision to read:

Subd. 9. **WELFARE REFORM COVERAGE.** All references to MFIP-S or Minnesota family investment program-statewide contained in sections 256.017, 256.019, 256.045, 256.046, and 256.98 to 256.9866 shall be construed to include all variations of the Minnesota family investment program including, but not limited to, chapter 256J, MFIP-S, MFIP-R, and chapter 256K.

Sec. 16. **CORRECTION 50.** Minnesota Statutes 1996, section 62J.54, as amended by Laws 1997, chapter 228, section 2, is amended to read:

62J.54 IDENTIFICATION AND IMPLEMENTATION OF UNIQUE IDENTIFIERS.

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Subdivision 1. **UNIQUE IDENTIFICATION NUMBER FOR HEALTH CARE PROVIDER ORGANIZATIONS.** (a) Not later than 24 months after the date on which a unique health identifier for health care providers is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), all group purchasers and health care providers in Minnesota shall use a unique identification number to identify health care provider organizations, except as provided in paragraph (b).

(b) Small health plans, as defined by the federal Secretary of Health and Human Services under section 1175 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, section 1320d-4 (1996 and subsequent amendments), shall use a unique identification number to identify health provider organizations no later than 36 months after the date on which a unique health identifier for health care providers is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments).

(c) The unique health identifier for health care providers adopted or established by the federal Secretary of Health and Human Services under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), shall be used as the unique identification number for health care provider organizations.

(d) Provider organizations required to have a unique health identifier are:

- (1) hospitals licensed under chapter 144;
- (2) nursing homes and hospices licensed under chapter 144A;
- (3) subacute care facilities;
- (4) individual providers organized as a clinic or group practice;
- (5) independent laboratory, pharmacy, surgery, radiology, or outpatient facilities;
- (6) ambulance services licensed under chapter 144;
- (7) special transportation services certified under chapter 174; and
- (8) other provider organizations as required by the federal Secretary of Health and Human Services under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments).

Provider organizations shall obtain a unique health identifier from the federal Secretary of Health and Human Services using the process prescribed by the Secretary.

(e) Only the unique health care provider organization identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(f) The commissioner of health may contract with the federal Secretary of Health and Human Services or the Secretary's agent to implement this subdivision.

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Subd. 2. UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS. (a) Not later than 24 months after the date on which a unique health identifier for health care providers is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), all group purchasers and health care providers in Minnesota shall use a unique identification number to identify an individual health care provider, except as provided in paragraph (b).

(b) Small health plans, as defined by the federal Secretary of Health and Human Services under section 1175 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, section 1320d-4 (1996 and subsequent amendments), shall use a unique identification number to identify an individual health care provider no later than 36 months after the date on which a unique health identifier for health care providers is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments).

(c) The unique health identifier for health care providers adopted or established by the federal Secretary of Health and Human Services under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), shall be used as the unique identification number for individual health care providers.

(d) Individual providers required to have a unique health identifier are:

- (1) physicians licensed under chapter 147;
- (2) dentists licensed under chapter 150A;
- (3) chiropractors licensed under chapter 148;
- (4) podiatrists licensed under chapter 153;
- (5) physician assistants as defined under section 147A.01;
- (6) advanced practice nurses as defined under section 62A.15;
- (7) doctors of optometry licensed under section 148.57;
- (8) pharmacists licensed under chapter 151;
- (9) individual providers who may bill Medicare for medical and other health services as defined in United States Code, title 42, section 1395x(s);
- (10) individual providers who are providers for state and federal health care programs administered by the commissioner of human services; and
- (11) other individual providers as required by the federal Secretary of Health and Human Services under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments).

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Providers shall obtain a unique health identifier from the federal Secretary of Health and Human Services using the process prescribed by the Secretary.

(e) Only the unique individual health care provider identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(f) The commissioner of health may contract with the federal Secretary of Health and Human Services or the Secretary's agent to implement this subdivision.

Subd. 3. UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS. (a) Not later than 24 months after the date on which a unique health identifier for employers and health plans is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), all group purchasers and health care providers in Minnesota shall use a unique identification number to identify group purchasers, except as provided in paragraph (b).

(b) Small health plans, as defined by the federal Secretary of Health and Human Services under section 1175 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, section 1320d-4 (1996 and subsequent amendments), shall use a unique identification number to identify group purchasers no later than 36 months after the date on which a unique health identifier for employers and health plans is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments).

(c) The unique health identifier for health plans and employers adopted or established by the federal Secretary of Health and Human Services under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), shall be used as the unique identification number for group purchasers.

(d) Group purchasers shall obtain a unique health identifier from the federal Secretary of Health and Human Services using the process prescribed by the Secretary.

(e) The unique group purchaser identifier, as described in this section, shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(f) The commissioner of health may contract with the federal Secretary of Health and Human Services or the Secretary's agent to implement this subdivision.

Subd. 4. UNIQUE PATIENT IDENTIFICATION NUMBER. (a) Not later than 24 months after the date on which a unique health identifier for individuals is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), all group purchasers and health care providers in Minnesota shall use a unique identification number to identify each patient who receives health care services in Minnesota, except as provided in paragraph (b).

(b) Small health plans, as defined by the federal Secretary of Health and Human Services under section 1175 of Public Law Number 104-191, 110 Statutes at Large 1936

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United States Code, title 42, section 1320d-4 (1996 and subsequent amendments), shall use a unique identification number to identify each patient who receives health care services in Minnesota no later than 36 months after the date on which a unique health identifier for individuals is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments).

(c) The unique health identifier for individuals adopted or established by the federal Secretary of Health and Human Services under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments), shall be used as the unique patient identification number, except as provided in paragraphs (e) and (f).

(d) The unique patient identification number shall be used by group purchasers and health care providers for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(e) Within the limits of available appropriations, the commissioner shall develop a proposal for an alternate numbering system for patients who do not have or refuse to provide their social security numbers, if:

(1) a unique health identifier for individuals is adopted or established under sections 1171 to 1179 of Public Law Number 104-191, 110 Statutes at Large 1936 United States Code, title 42, sections 1320d to 1320d-8 (1996 and subsequent amendments);

(2) the unique health identifier is the social security number of the patient;

(3) there is no federal alternate numbering system for patients who do not have or refuse to provide their social security numbers; and

(4) federal law or the federal Secretary of Health and Human Services explicitly allows a state to develop an alternate numbering system for patients who do not have or refuse to provide their social security numbers.

(f) If an alternate numbering system is developed under paragraph (e), patients who use numbers issued by the alternate numbering system are not required to provide their social security numbers and group purchasers or providers may not demand the social security numbers of patients who provide numbers issued by the alternate numbering system. If an alternate numbering system is developed under paragraph (e), group purchasers and health care providers shall establish procedures to notify patients that they can elect not to have their social security number used as the unique patient identifier.

(g) The commissioner of health may contract with the federal Secretary of Health and Human Services or the Secretary's agent to implement this subdivision.

Sec. 17. **CORRECTION 53.** Laws 1997, chapter 239, article 1, section 12, subdivision 4, is amended to read:

Subd. 4. Community Services
80,387,000 84,824,000

\$225,000 each year is for school-based probation pilot programs. Of this amount,

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\$150,000 each year is for Dakota county and \$75,000 each year is for Anoka county. This is a one-time appropriation.

\$50,000 each year is for the Ramsey county enhanced probation pilot project. The appropriation may not be used to supplant law enforcement or county probation officer positions, or correctional services or programs. This is a one-time appropriation.

\$200,000 the first year is for the gang intervention pilot project. This is a one-time appropriation.

\$50,000 the first year and \$50,000 the second year are is for grants to local communities to establish and implement pilot project restorative justice programs. This is a one-time appropriation.

\$95,000 the first year is for the Dakota county family group conferencing pilot project established in Laws 1996, chapter 408, article 2, section 9. This is a one-time appropriation.

All money received by the commissioner of corrections pursuant to the domestic abuse investigation fee under Minnesota Statutes, section 609.2244, is available for use by the commissioner and is appropriated annually to the commissioner of corrections for costs related to conducting the investigations.

\$750,000 each year is for an increase in community corrections act subsidy funding. The funding shall be distributed according to the community corrections aid formula in Minnesota Statutes, section 401.10.

\$4,000,000 the second year is for juvenile residential treatment grants to counties to defray the cost of juvenile residential treatment. Eighty percent of this appropriation must be distributed to noncommunity corrections act counties and 20 percent must be distributed to community corrections act counties. The commissioner shall distribute the money according to the formula contained in Minnesota Statutes, section 401.10.

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By January 15, counties must submit a report to the commissioner describing the purposes for which the grants were used.

\$60,000 the first year and \$60,000 the second year are for the electronic alcohol monitoring of DWI and domestic abuse offenders pilot program.

\$123,000 each year shall be distributed to the Dodge-Fillmore-Olmsted community corrections agency and \$124,000 each year shall be distributed to the Arrowhead regional corrections agency for use in a pilot project to expand the agencies' productive day initiative programs, as defined in Minnesota Statutes, section 241.275, to include juvenile offenders who are 16 years of age and older. This is a one-time appropriation.

\$2,000,000 the first year and \$2,000,000 the second year are for a statewide probation and supervised release caseload and workload reduction grant program. Counties that deliver correctional services through Minnesota Statutes, chapter 260, and that qualify for new probation officers under this program shall receive full reimbursement for the officers' salaries and reimbursement for the officers' benefits and support as set forth in the probations standards task force report, not to exceed \$70,000 per officer annually. Positions funded by this appropriation may not supplant existing services. Position control numbers for these positions must be annually reported to the commissioner of corrections.

The commissioner shall distribute money appropriated for state and county probation officer caseload and workload reduction, increased intensive supervised release and probation services, and county probation officer reimbursement according to the formula contained in Minnesota Statutes, section 401.10. These appropriations may not be used to supplant existing state or county probation officer positions or existing correctional services or programs. The money appropriated under this provision is intended to reduce state and county proba-

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tion officer caseload and workload overcrowding and to increase supervision of individuals sentenced to probation at the county level. This increased supervision may be accomplished through a variety of methods, including but not limited to: (1) innovative technology services, such as automated probation reporting systems and electronic monitoring; (2) prevention and diversion programs; (3) intergovernmental cooperation agreements between local governments and appropriate community resources; and (4) traditional probation program services.

\$700,000 the first year and \$700,000 the second year are for grants to judicial districts for the implementation of innovative projects to improve the administration of justice, including, but not limited to, drug courts, night courts, community courts, family courts, and projects emphasizing early intervention and coordination of justice system resources in the resolution of cases. Of this amount, up to \$25,000 may be used to develop a gun education curriculum under article 2. This is a one-time appropriation.

During fiscal year 1998, up to \$500,000 of unobligated funds available under Minnesota Statutes, section 401.10, subdivision 2, from fiscal year 1997 may be used for a court services tracking system for the counties. Notwithstanding Minnesota Statutes, section 401.10, subdivision 2, these funds are available for use in any county using the court services tracking system.

Before the commissioner uses money that would otherwise cancel to the general fund for the court services tracking system, the proposal for the system must be reviewed by the criminal and juvenile justice information policy group.

\$52,500 of the amount appropriated to the commissioner in Laws 1995, chapter 226, article 1, section 11, subdivision 3, for the criterion-related cross-validation study is

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available until January 1, 1998. The study must be completed by January 1, 1998.

Sec. 18. **CORRECTION 55.** Minnesota Statutes 1996, section 518.6111, subdivision 13, as added by Laws 1997, chapter 203, article 6, section 48, is amended to read:

Subd. 13. **ORDER TERMINATING INCOME WITHHOLDING.** (a) An order terminating income withholding must specify the effective date of the order and reference the initial order or decree that establishes the support obligation and shall be entered once the following conditions have been met:

(1) the obligor serves written notice of the application for termination of income withholding by mail upon the obligee at the obligee's last known mailing address, and a duplicate copy of the application is served on the public authority;

(2) the application for termination of income withholding specifies the event that terminates the support obligation, the effective date of the termination of the support obligation, and the applicable provisions of the order or decree that established the support obligation; and

(3) the application includes the complete name of the obligor's payor of funds, the business mailing address, the court action and court file number, and the support and collections file number, if known; and

~~(b)~~ (4) after receipt of the application for termination of income withholding, the obligee or the public authority fails within 20 days to request a contested hearing on the issue of whether income withholding of support should continue clearly specifying the basis for the continued support obligation and, ex parte, to stay the service of the order terminating income withholding upon the obligor's payor of funds, pending the outcome of the ~~contest~~ contested hearing.

Sec. 19. **CORRECTION 56.** Laws 1997, chapter 203, article 6, section 94, is amended to read:

Sec. 94. **EFFECTIVE DATES.**

(a) Section 1 is effective the day following final enactment.

(b) Section 3 is effective July 1, 1998.

(c) Sections 72 to 83 are effective July 1, 1998.

(d) Section 75 applies only to judgments docketed on or after July 1, 1998 October 1, 1997.

(e) Sections 85 to 89 are effective July 1, 1998.

Sec. 20. **CORRECTION 57.** Laws 1997, chapter 203, article 1, section 2, subdivision 8, is amended to read:

Subd. 8. Continuing Care and
Community Support Grants

General	1,097,832,000	1,165,926,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

- (a) Community Services Block Grants
55,641,000 55,641,000

CSSA TRADITIONAL APPROPRIATION. Notwithstanding Minnesota Statutes, section 256E.06, subdivisions 1 and 2, the appropriations available under that section in fiscal years 1998 and 1999 must be distributed to each county proportionately to the aid received by the county in calendar year 1996. The commissioner, in consultation with counties, shall study the formula limitations in subdivision 2 of that section, and report findings and any recommendations for revision of the CSSA formula and its formula limitation provisions to the legislature by January 15, 1998.

- (b) Consumer Support Grants
1,757,000 1,757,000

- (c) Aging Adult Service Grants
7,900,000 7,928,000

OMBUDSMAN FOR OLDER MINNESOTANS. Of this appropriation, \$150,000 in fiscal year 1998 and \$175,000 in fiscal year 1999 is for the board on aging's ombudsman for older Minnesotans to expand its activities relating to home care services and other noninstitutional services, and to develop and implement a continuing education program for ombudsman volunteers. This appropriation shall become part of base-level funding for the biennium beginning July 1, 1999.

HEALTH INSURANCE COUNSELING.

(a) Of this appropriation, \$200,000 each year is for the board on aging for the purpose of health insurance counseling and assistance grants to be awarded to the area agencies on aging.

(b) Of the amount in paragraph (a), \$100,000 per year is for the area agencies in regions participating in the current health insurance counseling pilot program. The remaining

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funding shall be distributed on a competitive basis to area agencies on aging in other regions based on criteria developed jointly by the board on aging and the area agencies on aging.

(c) The board shall explore opportunities for obtaining alternative funding from nonstate sources, including contributions from individuals seeking health insurance counseling services.

LIVING-AT-HOME/BLOCK NURSE PROGRAMS. Of this appropriation, \$240,000 each fiscal year is for the commissioner to provide funding to 12 additional living-at-home/block nurse programs; \$70,000 for the biennium is for the commissioner to increase funding for certain living-at-home/block nurse programs so that funding for all programs is at the same level for each fiscal year; and \$50,000 each fiscal year is for the commissioner to provide additional contract funding for the organization awarded the contract for the living-at-home/block nurse program.

CONGREGATE AND HOME-DELIVERED MEALS. The supplemental funding for nutrition programs serving counties where congregate and home-delivered meals were locally financed prior to participation in the nutrition program of the Older Americans Act shall be awarded at no less than the same levels as in fiscal year 1997.

EPILEPSY LIVING SKILLS. Of this appropriation, \$30,000 each year is for the purposes of providing increased funding for the living skills training program for persons with intractable epilepsy who need assistance in the transition to independent living. This amount must be included in the base amount for this program.

(d) Deaf and Hard-of-Hearing
Services Grants

1,524,000	1,424,000
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ASSISTANCE DOGS. Of this appropriation, \$50,000 for the biennium is for the commissioner to provide grants to Minnesota nonprofit organizations that train or provide assistance dogs for persons with disabilities. This appropriation shall not become part of the base for the biennium beginning July 1, 1999.

GRANT FOR SERVICES TO DEAF-BLIND CHILDREN AND PERSONS. Of this appropriation, \$150,000 for the biennium is for a grant to an organization that provides services to deaf-blind persons. The grant must be used to provide additional services to deaf-blind children and their families. Such services may include providing intervenors to assist deaf-blind children in participating in their communities, and family education specialists to teach siblings and parents skills to support the deaf-blind child in the family. The commissioner shall use a request-for-proposal process to award the grants in this paragraph.

Of this appropriation, \$150,000 for the biennium is for a grant to an organization that provides services to deaf-blind persons. The grant must be used to provide assistance to deaf-blind persons who are working towards establishing and maintaining independence. The commissioner shall use a request-for-proposal process to award the grants in this paragraph.

An organization that receives a grant under this provision may expend the grant for any purpose authorized by this provision, and in either year of the biennium.

GRANT FOR SERVICES TO DEAF PERSONS WITH MENTAL ILLNESS.

Of this appropriation, \$100,000 the first year and \$50,000 the second year is for a grant to a nonprofit agency that currently serves deaf and hard-of-hearing adults with mental illness through residential programs and supported housing outreach activities. The grant must be used to continue or maintain community support services for deaf and hard-

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of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.

ASSESSMENTS FOR DEAF, HARD-OF-HEARING AND DEAF-BLIND CHILDREN. Of this appropriation, \$150,000 each year is for the commissioner to establish a grant program for deaf, hard-of-hearing and deaf-blind children in the state. The grant program shall be used to provide specialized statewide psychological and social assessments, family assessments, and school and family consultation and training. Services provided through this program must be provided in cooperation with the Minnesota resource center; the department of children, families, and learning; the St. Paul-Ramsey health and wellness program serving deaf and hard-of-hearing people; and greater Minnesota community mental health centers.

(e) Mental Health Grants

48,796,000	49,896,000
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ADOLESCENT COMPULSIVE GAMBLING GRANT. \$125,000 for fiscal year 1998 and \$125,000 for fiscal year 1999 shall be transferred by the director of the lottery from the lottery prize fund created under Minnesota Statutes, section 349A.10, subdivision 2, to the general fund. \$125,000 for fiscal year 1998 and \$125,000 for fiscal year 1999 is appropriated from the general fund to the commissioner for the purposes of a grant to a compulsive gambling council located in St. Louis county for a statewide compulsive gambling prevention and education project for adolescents.

CAMP. Of this appropriation, \$30,000 for the biennium is from the mental health special projects account, for adults and children with mental illness from across the state for a camping program which utilizes the Boundary Waters Canoe Area and is cooperatively sponsored by client advocacy, mental health treatment, and outdoor recreation agencies.

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(f) Developmental Disabilities

Support Grants

6,448,000	6,398,000
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(g) Medical Assistance Long-Term

Care Waivers and Home Care

249,512,000	299,186,000
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COUNTY WAIVERED SERVICES RESERVE. Notwithstanding the provisions of Minnesota Statutes, section 256B.092, subdivision 4, and Minnesota Rules, part 9525.1830, subpart 2, the commissioner may approve written procedures and criteria for the allocation of home- and community-based waiver services funding for persons with mental retardation or related conditions which enables a county to maintain a reserve resource account. The reserve resource account may not exceed five percent of the county agency's total annual allocation of home- and community-based waiver services funds. The reserve may be utilized to ensure the county's ability to meet the changing needs of current recipients, to ensure the health and safety needs of current recipients, or to provide short-term emergency intervention care to eligible waiver recipients.

REIMBURSEMENT INCREASES. (a)

Effective for services rendered on or after July 1, 1997, the commissioner shall increase reimbursement or allocation rates by five percent, and county boards shall adjust provider contracts as needed, for home and community-based waiver services for persons with mental retardation or related conditions under Minnesota Statutes, section 256B.501; home and community-based waiver services for the elderly under Minnesota Statutes, section 256B.0915; community alternatives for disabled individuals waiver services under Minnesota Statutes, section 256B.49; community alternative care waiver services under Minnesota Statutes, section 256B.49; traumatic brain injury waiver services under Minnesota Statutes, section 256B.49; nursing services and home health services under Minnesota Statutes, section

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256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a; private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; day training and habilitation services for adults with mental retardation or related conditions under Minnesota Statutes, sections 252.40 to 252.47; physical therapy services under Minnesota Statutes, sections 256B.0625, subdivision 8, and 256D.03, subdivision 4; occupational therapy services under Minnesota Statutes, sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4; speech-language therapy services under Minnesota Statutes, section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy services provided in an outpatient or clinic setting under Minnesota Statutes, section sections 256B.0625, subdivision 4, and 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; dental services under Minnesota Statutes, sections 256B.0625, subdivision 9, and 256D.03, subdivision 4, except that this increase does not apply to dental services provided under the MinnesotaCare program and the provisions of Minnesota Statutes, section 256.9362, subdivision 1, do not apply; alternative care services under Minnesota Statutes, section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; and semi-independent living services under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I. The commissioner shall also increase prepaid medical assistance program capitation rates as appropriate to reflect the rate increases in this paragraph. Section 13, sunset of uncodified language, does not apply to this paragraph.

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(b) It is the intention of the legislature that the compensation packages of staff within each service be increased by five percent.

(h) Medical Assistance Long-Term
Care Facilities

570,291,000 598,115,000

ICE/MR AND NURSING FACILITY INFLATION. The commissioner shall grant inflation adjustments for nursing facilities with rate years beginning during the biennium according to Minnesota Statutes, section 256B.431, and shall grant inflation adjustments for intermediate care facilities for persons with mental retardation or related conditions with rate years beginning during the biennium according to Minnesota Statutes, section 256B.501.

MORATORIUM EXCEPTIONS. Of this appropriation, \$500,000 each year shall be disbursed for the medical assistance costs of moratorium exceptions approved by the commissioner of health under Minnesota Statutes, section 144A.073. Unexpended money appropriated for fiscal year 1998 does not cancel but is available for fiscal year 1999.

(i) Alternative Care Grants

General 48,355,000 32,278,000

PREADMISSION SCREENING TRANSFER. Effective the day following final enactment, up to \$40,000 of the appropriation for preadmission screening and alternative care for fiscal year 1997 may be transferred to the health care administration account to pay the state's share of county claims for conducting nursing home assessments for persons with mental illness or mental retardation as required by Public Law Number 100-203.

ALTERNATIVE CARE TRANSFER. Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

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PREADMISSION SCREENING

AMOUNT. The preadmission screening payment to all counties shall continue at the payment amount in effect for fiscal year 1997.

PAS/AC APPROPRIATION. The commissioner may expend the money appropriated for preadmission screening and the alternative care program for these purposes in either year of the biennium.

(j) Group Residential Housing		
General	65,974,000	69,562,000

(k) Chemical Dependency		
Entitlement Grants		
General	36,634,000	38,741,000

CHEMICAL DEPENDENCY FUNDS TRANSFER. \$11,340,000 from the consolidated chemical dependency general reserve fund available in fiscal year 1998 is transferred to the general fund.

(l) Chemical Dependency		
Nonentitlement Grants		
General	5,000,000	5,000,000

Sec. 21. **CORRECTION 58.** Minnesota Statutes 1996, section 254B.03, subdivision 1, as amended by Laws 1997, chapter 203, article 7, section 17, is amended to read:

Subdivision 1. **LOCAL AGENCY DUTIES.** (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate. If a county selects a vendor located in another state, the county shall ensure that the vendor is in compliance with the rules governing licensure of programs located in the state.

(c) For the biennium ending June 30, 1999, The calendar year 1998 rate for vendors may not increase more than three percent above the rate approved on in effect on January

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1, 1997. The calendar year 1999 rate for vendors may not increase more than three percent above the rate in effect on January 1, 1998.

(d) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.

Sec. 22. **CORRECTION 65.** Laws 1997, chapter 200, article 1, section 5, subdivision 4, is amended to read:

Subd. 4. Workforce Preparation

16,922,000 9,079,000

Summary by Fund

General	16,147,000	8,304,000
Special Revenue	775,000	775,000

\$775,000 the first year and \$775,000 the second year is for job training programs under Minnesota Statutes, sections 268.60 to 268.64. Notwithstanding Minnesota Statutes, section 268.022, this appropriation is from the workforce investment fund. Of this amount, \$250,000 each year is for grants to the Ramsey county opportunities industrialization center. The grants are to be used to (1) offer prevocational training programs and specific vocational training programs involving intensive English as a second language in instruction, and (2) train for and locate entry level jobs including, without limitation, clerical, building maintenance, manufacturing, home maintenance and repair, and certified nursing assistance.

\$1,815,000 the first year and \$1,817,000 the second year is for displaced homemaker programs under Minnesota Statutes, section 268.96.

\$1,050,000 the first year and \$1,050,000 the second year is 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. This appropriation is available until spent.

\$1,500,000 the first year and \$1,500,000 the second year is to supplement the activities of

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the Job Training Partnership Act Title II-A program as described in United States Code, title 29, sections 1501 to 1792. The commissioner may use up to five percent of this amount of state operations. The balance of the amount is for services to temporary assistance for needy families (TANF) recipients. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$75,000 the first year is for the PLATO education partnership pilot program. If the commissioner favorably evaluates the demonstration implementation of PLATO in Fairmont and Owatonna, the commissioner shall select two other communities in which PLATO will be implemented. Of this amount, not more than \$10 is for the demonstration implementations. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001.

\$250,000 the first year and \$250,000 the second year is for the learn to earn summer youth employment program established under Laws 1995, chapter 224, sections 5 and 39. This appropriation is available until spent.

\$10,000 the first year and \$10,000 the second year are for one-time grants to independent school district No. 2752, Fairmont, for community initiatives.

Of the money appropriated for the summer youth program for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. In addition to the base appropriation, \$6,000,000 the first year is for the summer youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available.

\$700,000 the first year and \$700,000 the second year is for the Youthbuild program under

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Minnesota Statutes, sections 268.361 to 268.366. 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.

\$250,000 the first year is for a one-time grant to the displaced homemaker program in the department of economic security and \$125,000 the first year and \$125,000 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 empowerment mentors whose responsibility will be to conduct the meeting. Group members must be paid at least \$20 for each meeting attended. 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.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,500,000 in the first year and \$3,500,000 in the second

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year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

~~\$30,000~~ \$15,000 the first year and \$15,000 the second year is for a grant to the city of Champlin for creating and expanding curfew enforcement. The program must have clearly established neighborhood, community, and family measures of success and must report to the commissioner of economic security on the achievement of these outcomes on or before June 30, 1998.

\$250,000 the first year is for a one-time grant to Ramsey county to expand the sister-to-sister mentoring, support, and training network program countywide. This appropriation is in addition to money appropriated under Minnesota Statutes, sections 256J.62 and 256J.76.

\$500,000 is for a grant to the center for victims of torture to design and develop training to educate health care and human service workers on levels of sensitive care and how to make referrals and to establish a network of care providers to do pro bono care for torture survivors so as to enable a rapid integration into communities and labor markets by torture victims. This is a one-time appropriation requiring a one-to-one nonstate, in-kind match, and is available until expended.

Sec. 23. **CORRECTION 68.** Laws 1995, chapter 248, article 13, section 4, subdivision 2, is amended to read:

Subd. 2. **PILOT PROJECT.** Notwithstanding any law to the contrary, the governor shall designate an executive agency that, during the biennium ending department of transportation, until June 30, 1997 1998, is exempt from any law, rule, or administrative procedure that requires approval of the commissioner of administration before an agency enters into a contract. The agency selected in this subdivision must establish a process for obtaining goods and services that complies with the policies in subdivision 1. The process must include guidelines to prevent conflicts of interest for agency employees involved in developing bid specifications or proposals, evaluating bids or proposals, entering into contracts, or evaluating the performance of a contractor. The guidelines must attempt to ensure that such an employee:

(1) does not have any financial interest in and does not personally benefit from the contract;

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(2) does not accept from a contractor or bidder any promise, obligation, contract for future reward, or gift, other than an item of nominal value; and

(3) does not appear to have a conflict of interest because of a family or close personal relationship to a contractor or bidder, or because of a past employment or business relationship with a contractor or bidder.

Upon request of the agency, the department of administration shall provide the agency technical assistance in designing such a process.

Sec. 24. **CORRECTION 33.** Laws 1997, chapter 231, article 3, section 3, 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 April 21 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;

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(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; and

(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).

Sec. 25. **CORRECTION 34.** Laws 1997, chapter 231, article 3, section 4, subdivision 2, is amended to read:

Subd. 2. **LEVY LIMIT BASE.** (a) The levy limit base for a local governmental unit for taxes levied in 1997 shall be equal to the sum of:

(1) the amount the local governmental unit levied in 1996, less any amount levied for debt, as reported to the department of revenue under section 275.62, subdivision 1, clause (1), and less any tax levied in 1996 against market value as provided for in section 275.61;

(2) the amount of aids the local governmental unit was certified to receive in calendar year 1997 under sections 477A.011 to 477A.03 before any reductions for state tax increment financing aid under section 273.1399, subdivision 5;

(3) the amount of homestead and agricultural credit aid the local governmental unit was certified to receive under section 273.1398 in calendar year 1997 before any reductions for tax increment financing aid under section 273.1399, subdivision 5;

(4) the amount of local performance aid the local governmental unit was certified to receive in calendar year 1997 under section 477A.05; and

(5) the amount of any payments certified to the local government unit in 1997 under sections 298.28 and 298.282; and.

(6) the amount of any adjustments authorized under ~~section 275.72.~~

If a governmental unit was not required to report under section 275.62 for taxes levied in 1997, the commissioner shall request information on levies used for debt from the local governmental unit and adjust its levy limit base accordingly.

(b) The levy limit base for a local governmental unit for taxes levied in 1998 is limited to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72.

Sec. 26. **CORRECTION 34A.** Laws 1997, chapter 231, article 3, section 4, subdivision 3, is amended to read:

Subd. 3. **ADJUSTED LEVY LIMIT BASE.** For taxes levied in 1997 and 1998, the adjusted levy limit is equal to the levy limit base computed under subdivision 2 or section 275.72, multiplied by:

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(1) one plus a percentage equal to the percentage growth in the implicit price deflator; and

(2) for all cities and for counties outside of the seven-county metropolitan area, one plus a percentage equal to the percentage increase in number of households, if any, for the most recent 12-month period for which data is available; and

(3) for counties located in the seven-county metropolitan area, one plus a percentage equal to the greater of the percentage increase in the number of households in the county or the percentage increase in the number of households in the entire seven-county metropolitan area for the most recent 12-month period for which data is available.

Sec. 27. **CORRECTION 34B.** Laws 1997, chapter 231, article 3, section 5, subdivision 2, is amended to read:

Subd. 2. **ADJUSTMENTS FOR ANNEXATION.** If a local governmental unit increases its tax base through annexation of an area which is not the area of an entire local governmental unit, the levy limit base of the local governmental unit in the first year in which the annexation is effective shall be equal to its adjusted levy limit base ~~from the previous established before the adjustment under section 275.71, subdivision 3, for the current levy year~~ multiplied by the ratio of the net tax capacity in the local governmental unit after the annexation compared to its net tax capacity before the annexation.

Sec. 28. **CORRECTION 35.** Laws 1997, chapter 231, article 8, section 16, is amended to read:

Sec. 16. USE OF PRODUCTION TAX PROCEEDS.

The amount distributed to the iron range resources and rehabilitation board under Minnesota Statutes, section 298.28, subdivision 7, that is attributable to the tax increase due to the implicit price deflator increase as provided in Minnesota Statutes, section 298.24, subdivision 1, paragraph (c), for concentrates produced in 1997 shall be distributed to the iron range resources and rehabilitation board and used by the board to make a grant to the city of Hoyt Lakes to be used for the establishment of an industrial park in the city.

Sec. 29. **CORRECTION 45.** Laws 1997, chapter 162, article 2, section 31, subdivision 9, is amended to read:

Subd. 9. **DRUG POLICY AND VIOLENCE PREVENTION PROGRAMS.**
For drug policy, violence prevention, and family visitation programs:

\$3,000,000	1998
\$3,000,000	1999

Any balance in the first year does not cancel but is available in the second year.

\$197,000 is appropriated from the state government special revenue fund to the commissioner of children, families, and learning for visitation facilities under Minnesota Statutes, sections 256F.09 and 517.08, subdivision 1c. \$96,000 is available for the fiscal year beginning July 1, 1997, and \$96,000 is available for the fiscal year beginning July 1, 1998.

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Any balance in the first year does not cancel, but is available in the second year.

Up to \$400,000 each year is for grants for mentoring at-risk youth. Of the fiscal year 1998 appropriation, up to \$138,000 and of the fiscal year 1999 appropriation up to \$100,000 is for grants under Laws 1995, chapter 226, article 3, section 62.

Up to \$75,000 each year is for grants to community-based violence prevention councils.

Sec. 30. **CORRECTION 51.** Minnesota Statutes 1996, section 119A.04, subdivision 6, as amended by Laws 1997, chapter 162, article 3, section 2, is amended to read:

Subd. 6. **FUNDING FOR TRANSFERRED PROGRAMS.** State appropriations for programs transferred under this section may not be used to replace appropriations for K-12 programs. State and federal appropriations for programs under section 119A.15, subdivision 5a, transferred from the department of economic security, may not be used to replace, supplement, or supplant federal or state appropriations for any other program in the department.

Sec. 31. **CORRECTION 59A.** Laws 1997, chapter 84, article 3, section 9, is amended to read:

Sec. 9. **EFFECTIVE DATE.**

Section 1 is effective for refund claims filed for bad debts recognized for federal income tax purposes after June 30, 1997.

Section 2 is effective for returns filed after January 1, 1998.

Sections 3 to 4, 5, and 8 are effective July 1, 1997.

Section 3 is effective for sales made or leases entered into after June 30, 1997.

Sections 6 and 7 are effective for sales and purchases occurring after June 30, 1997.

Sec. 32. **CORRECTION 59B.** Laws 1997, chapter 106, article 1, section 19, is amended to read:

Sec. 19. **[297F.19] CIVIL PENALTIES.**

Subdivision 1. **CIVIL ACTION; GENERAL RULE.** The commissioner may recover the amount of any tax due and unpaid under this chapter, as well as interest, and any penalty in a civil action. The collection of the tax, interest, or penalty is not a bar to any prosecution under this chapter.

Subd. 2. **PENALTY FOR FAILURE TO PAY TAX.** If a tax imposed by this chapter is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is five percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an additional penalty of five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 15 percent in the aggregate.

Subd. 3. **PENALTY FOR FAILURE TO MAKE AND FILE RETURN.** If a taxpayer fails to make and file a return within the time prescribed, including an extension, a penalty of five percent of the amount of tax not timely paid is added to the tax.

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Subd. 4. **COMBINED PENALTIES.** When penalties are imposed under subdivisions 2 and 3, the penalties imposed under both subdivisions combined must not exceed 38 20 percent in the aggregate.

Subd. 5. **PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.** If part of an additional assessment is due to negligence or intentional disregard of the provisions of the applicable tax laws or rules of the commissioner, but without intent to defraud, there must be added to the tax an amount equal to ten percent of the additional assessment.

Subd. 6. **PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.** If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of the tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Subd. 7. **PENALTY FOR FALSE OR FRAUDULENT RETURN; EVASION.** If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty equal to 50 percent of the tax due for the period to which the return related, less amounts paid by the person on the basis of the false or fraudulent return.

Subd. 8. **PAYMENT OF PENALTIES.** The penalties imposed by this section are collected and paid in the same manner as taxes.

Subd. 9. **PENALTIES ARE ADDITIONAL.** The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Sec. 33. **CORRECTION 59C.** Laws 1997, chapter 231, article 7, section 47, is amended to read:

Sec. 47. **EFFECTIVE DATES.**

Section 1 is effective for refund claims filed after June 30, 1997.

Sections 2, 6, 7, 9, 13, 15, 16, 17, 18, 20, 21, 25, 31, and 32 are effective for purchases, sales, storage, use, or consumption occurring after June 30, 1997.

Section 3 is effective on July 1, 1997, ~~or upon adoption of the corresponding rules, whichever occurs earlier~~ with the applicable refunds being retroactive to July 1, 1997.

Section 4, paragraph (i), clause (iv), is effective for purchases and sales occurring after September 30, 1987; the remainder of section 4 is effective for purchases and sales occurring after June 30, 1997.

Section 5, paragraph (h), is effective for purchases and sales occurring after June 30, 1997, and paragraph (i) is effective for purchases and sales occurring after December 31, 1992.

Sections 8 and 46 are effective July 1, 1998.

Sections 10 and 22 are effective for purchases, sales, storage, use, or consumption occurring after August 31, 1996.

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Sections 11, 12, 33, 34, and 35 are effective July 1, 1997.

Sections 14 and 19 are effective for purchases and sales after June 30, 1999.

Section 23 is effective January 1, 1997.

Section 24 is effective for purchases, sales, storage, use, or consumption occurring after April 30, 1997.

Sections 26 and 45 are effective for purchases, sales, storage, use, or consumption occurring after July 31, 1997, and before August 1, 2003.

Section 27 is effective for purchases, sales, storage, use, or consumption occurring after May 31, 1997.

Section 28 is effective for sales made after December 31, 1989, and before January 1, 1997. The provisions of Minnesota Statutes, section 289A.50, apply to refunds claimed under section 28. Refunds claimed under section 28 must be filed by the later of December 31, 1997, or the time limit under Minnesota Statutes, section 289A.40, subdivision 1.

Section 29 is effective for sales or first use after May 31, 1997, and before June 1, 1998.

Sections 30, 42, and 43 are effective the day following final enactment.

Sections 36 to 39 are effective the day after compliance by the governing body of Cook county with Minnesota Statutes, section 645.021, subdivision 3.

Section 40 is effective for STAR funds collected after June 30, 1997.

Sec. 34. **CORRECTION 59D.** Minnesota Statutes 1996, section 273.126, subdivision 2, as added by Laws 1997, chapter 231, article 1, section 4, is amended to read:

Subd. 2. **INCOME LIMITS.** (a) In order to qualify under class 4d, a unit must be occupied by an individual or individuals whose income is at or below 60 percent of the median area gross income. If the resident's income met the requirement when the resident first occupied the unit, the income of the resident continues to qualify. If an individual first occupied a unit before January 1, 1998, the individual's income for purposes of the preceding sentence is the income for calendar year 1996.

(b) For purposes of this section, "median area gross income" means the greater of (1) the median gross income for the area determined under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1996, ~~or~~ (2) ~~the median gross income for the state.~~

(c) The median gross income must be adjusted for family size.

(d) Vacant units qualify as meeting the requirements of this subdivision in the same proportion that total units in the building are subject to rent restriction agreements under subdivision 3 and meet minimum housing standards under subdivision 4. This paragraph applies only to the extent that units subject to a rent restriction agreement and meeting the minimum housing quality standards are vacant.

(e) The owner or manager of the property may comply with this subdivision by obtaining written statements from the residents that their incomes are at or below the limit.

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Sec. 35. **CORRECTION 59E.** Laws 1997, chapter 231, article 1, section 16, is amended to read:

Sec. 16. **PROPERTY TAX REBATE.**

(a) A credit is allowed against the tax imposed on an individual under Minnesota Statutes, chapter 290 equal to 20 percent of the qualified property tax paid in calendar year 1997 for taxes assessed in 1996. The credit is allowed only to the individual and spouse, if any, who paid the tax, whether directly, through an escrow arrangement, or under a contractual agreement for the purchase or sale of the property, and without regard to whether the individual qualifies as a claimant under Minnesota Statutes, chapter 290A.

(b) For property owned and occupied by the taxpayer, qualified tax means property taxes payable as defined in Minnesota Statutes, section 290A.03, subdivision 13, assessed in 1996 and payable in 1997.

(c) For a renter, the qualified property tax means the amount of rent constituting property taxes under Minnesota Statutes, section 290A.03, subdivision 11, based on rent paid in 1997. If two or more renters could be claimants under Minnesota Statutes, chapter 290A with regard to the rent constituting property taxes, the rules under Minnesota Statutes, section 290A.03, subdivision 8, paragraph (f), applies to determine the amount of the credit for the individual.

(d) For an individual who both owned and rented principal residences in calendar year 1997, qualified taxes are the sum of the amounts under paragraphs (a) and (b).

(e) If the amount of the credit under this subdivision exceeds the taxpayer's tax liability under this chapter, the commissioner shall refund the excess.

(f) To claim a credit under this subdivision, the taxpayer must attach a copy of the property tax statement and certificate of rent paid, as applicable, and provide any additional information the commissioner requires.

(g) An amount sufficient to pay refunds under this subdivision is appropriated to the commissioner from the general fund.

(h) This credit applies to taxable years beginning after December 31, 1996, and before January 1, 1998.

(i) Payment of the credit under this section is subject to Minnesota Statutes, chapter 270A, and any other provision applicable to refunds under Minnesota Statutes, chapter 290.

Sec. 36. **CORRECTION 59F.** Laws 1997, chapter 231, article 1, section 19, subdivision 1, is amended to read:

Subdivision 1. **TIF GRANTS.** (a) The commissioner of revenue shall pay grants to municipalities for deficits in tax increment financing districts caused by the changes in class rates under this act. Municipalities must submit applications for the grants in a form prescribed by the commissioner by no later than March 1 for grants payable during the calendar year. The maximum grant equals the lesser of:

(1) for taxes payable in the year before the grant is paid, the reduction in the tax increment financing district's revenues derived from increment resulting from the class rate changes in this article; or

New language is indicated by underline, deletions by strikeout.

(2) ~~the municipality's total tax increments, including unspent increments from previous years, less the amount due during the calendar year to pay (i) bonds issued and sold before the day following final enactment of this act and (ii) binding contracts entered into before the day following final enactment of this act, less the municipality's total tax increments, including unspent increments from previous years.~~

(b) The commissioner of revenue may require applicants for grants or pooling authority under this section to provide any information the commissioner deems appropriate. The commissioner shall calculate the amount under paragraph (a), clause (2), based on the reports for the tax increment financing district or districts filed with the state auditor on or before July 1 of the year before the year in which the grant is to be paid.

(c) This subdivision applies only to deficits in tax increment financing districts for which:

(1) the request for certification was made before the enactment date of this act; and

(2) all timely reports have been filed with the state auditor, as required by Minnesota Statutes, section 469.175.

(d) The commissioner shall pay the grants under this subdivision by December 26 of the year.

(e) \$2,000,000 is appropriated to the commissioner of revenue to make grants under this section. This appropriation is available until expended or this section expires under subdivision 3, whichever is earlier. If the amount of grant entitlements for a year exceed the appropriation, the commissioner shall reduce each grant proportionately so the total equals the amount available.

Sec. 37. **CORRECTION 59G.** Minnesota Statutes 1996, section 270.60, subdivision 4, as added by Laws 1997, chapter 231, article 16, section 6, is amended to read:

Subd. 4. **PAYMENTS TO COUNTIES.** (a) The commissioner shall pay to a qualified county in which an Indian gaming casino is located ten percent of the state share of all taxes generated from activities on reservations and collected under a tax agreement under this section with the tribal government for the reservation located in the county. If the tribe has casinos located in more than one county, the payment must be divided equally among the counties in which the casinos are located.

(b) A county qualifies for payments under this subdivision only if one of the following conditions is met:

(1) the county's per capita income is less than 80 percent of the state per capita personal income, based on the most recent estimates made by the United States Bureau of Economic Analysis; or

(2) 30 percent or more of the total market value of real property in the county is exempt from ad valorem taxation.

(c) The commissioner shall make the payments required under this subdivision by February 28 of the year following the year the taxes are collected.

(d) An amount sufficient to make the payments authorized by this subdivision, not to exceed \$1,100,000 in any fiscal year, is annually appropriated from the general fund to

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the commissioner. If the authorized payments exceed the amount of the appropriation, the commissioner shall proportionately reduce the rate so that the total amount equals the appropriation.

Sec. 38. **CORRECTION 59I.** Minnesota Statutes 1996, section 124.239, subdivision 5, as amended by Laws 1997, chapter 231, article 1, section 2, is amended to read:

Subd. 5. **LEVY AUTHORIZED.** A district, after local board approval, may levy for costs related to an approved facility plan as follows:

(a) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued according to subdivision 3 after reduction for any alternative facilities aid ~~received~~ receivable under subdivision 5 5a; or

(b) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy according to the schedule approved in the plan.

Sec. 39. Minnesota Statutes 1996, section 124.239, subdivision 5a, as added by Laws 1997, chapter 231, article 1, section 3, is amended to read:

Subd. 5a. **ALTERNATIVE FACILITIES AID.** A district's alternative facilities aid is the amount equal to the district's annual debt service costs qualifying for aid under subdivision 3a, provided that the amount does not exceed the amount certified to be levied for those purposes for taxes payable in 1997.

Sec. 40. Minnesota Statutes 1996, section 124.239, is amended by adding a subdivision to read:

Subd. 5b. **ALTERNATIVE FACILITIES APPROPRIATION.** (a) An amount not to exceed \$17,000,000 is appropriated from the general fund to the commissioner of children, families, and learning for fiscal year 2000 and each year thereafter for payment of alternative facilities aid under subdivision 5a. The 2000 appropriation includes \$1,700,000 for 1999 and \$15,300,000 for 2000.

(b) The appropriation in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 41. **REPEALER.**

Laws 1997, chapter 231, article 1, section 1, is repealed.

Sec. 42. **CORRECTION 59J.** Minnesota Statutes 1996, section 297A.25, subdivision 71, as added by Laws 1997, chapter 231, article 7, section 28, is amended to read:

Subd. 71. **FIREWOOD.** The gross receipts from the sale of and the storage, use, or consumption of wood used for fires for heating, cooking, or any other purpose, ~~except for the generation of electricity, steam, or heat to be sold at retail,~~ are exempt.

Sec. 43. **CORRECTION 59K.** Laws 1997, chapter 231, article 2, section 65, is amended to read:

Sec. 65. **DISASTER AREA; DUE DATE EXTENDED FOR BUSINESS PROPERTY TAXES.**

New language is indicated by underline, deletions by ~~strikeout~~.

(a) Notwithstanding Minnesota Statutes, section 279.01, subdivision 1, a penalty shall not accrue if (1) because of a natural disaster, a taxpayer is unable to pay the first half of the payable 1997 property taxes on class 3a or 3b property, classified under Minnesota Statutes, section 273.13, subdivision 24, located in an area designated by the Federal Emergency Management Agency pursuant to a major disaster declaration issued for Minnesota by President Clinton between April 1, 1997, and April 14, 1997, and (2) the taxpayer pays the first half of the payable 1997 taxes by October 15, 1997.

(b) If the first one half payment is paid after October 15, 1997, then all penalties that would have occurred on after the due date under Minnesota Statutes, section 279.01, subdivision 1, shall be charged on the amount of the unpaid tax.

(c) The property taxpayer shall attach to the payment a statement that the property is located in a disaster area and qualified for an extension under this section.

Sec. 44. **CORRECTION 59L.** Laws 1997, chapter 231, article 16, section 31, is amended to read:

Sec. 31. EFFECTIVE DATE.

Section 9 is effective for decrees of marriage dissolution, deeds, or other instruments executed and delivered after July 1, 1997.

Section 10 is effective for assessments made on or after the effective date of Laws 1996, chapter 471, article 2 3, section 32.

Section 19 is effective the day following final enactment.

Sec. 45. **CORRECTION 59M.** Minnesota Statutes 1996, section 273.1382, subdivision 1, as added by Laws 1997, chapter 231, article 1, section 12, subdivision 1, as amended by Laws 1997, chapter 251, section 20, subdivision 1, is amended to read:

Subdivision 1. **EDUCATION HOMESTEAD CREDIT.** Each year, beginning with property taxes payable in 1998, the respective county auditors shall determine the local initial tax rate for each school district for the general education levy certified under section 124A.23, subdivision 2 or 3. That rate plus the school district's education homestead credit tax rate adjustment under section 275.08, subdivision 1e, shall be the general education homestead credit local tax rate for the district. The auditor shall then determine a general education homestead credit for each homestead within the county equal to 32 percent of the general education homestead credit local tax rate times the net tax capacity of the homestead for the taxes payable year. The amount of general education homestead credit for a homestead may not exceed \$225. In the case of an agricultural homestead, only the net tax capacity of the house, garage, and surrounding one acre of land shall be used in determining the property's education homestead credit.

Subd. 2. Subdivision 1 is effective for taxes levied in 1997, payable in 1998, and thereafter.

Sec. 46. **CORRECTION 64.** Laws 1997, chapter 203, article 1, is amended by adding sections to read:

Sec. 15. **AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.**

New language is indicated by underline, deletions by ~~strikeout~~.

The commissioner of children, families, and learning may waive requirements under Minnesota Statutes, chapter 119B, for up to nine months in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12.

Sec. 16. AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of children, families, and learning may waive requirements under Minnesota Statutes, section 268.38 for up to nine months for grantees in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12.

Sec. 17. AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of children, families, and learning may waive requirements under Minnesota Statutes, sections 268.912 to 268.916, for up to nine months for Head Start grantees in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12.

Sec. 18. WAIVER OF LIMITATION FOR FACILITY CHANGES.

The limitation under Minnesota Statutes 1996, section 268.362, subdivision 1, paragraph (a), on the type of facilities which may be rehabilitated, improved, or constructed as part of a work experience component to provide education and work experience to targeted youth is waived and shall include low-income private residences, private businesses, municipal parks, and other land areas impacted by the major natural disaster (flood) declared by President Clinton in the spring of 1997.

Sec. 19. WAIVER ON DEFINITION OF AT-RISK YOUTH.

The limitation on the definition of an at-risk youth under the Minnesota youth program, in Minnesota Statutes 1996, section 268.56, subdivision 3, is waived to include a youth affected by the major natural disaster (flood) declared by President Clinton in the spring of 1997. The waiver is effective until May 30, 1998.

Sec. 20. NOTIFICATION.

The commissioner shall notify the chairs of the senate health and family security committee, health and family security budget division, human resources finance committee, the house health and human services committee, health and human services finance division, and ways and means committee ten days prior to the effective date of any waiver or variance granted under sections 15, 16, and 17.

Sec. 47. CORRECTION 44. Minnesota Statutes 1996, section 124.2601, subdivision 5, as amended by Laws 1997, chapter 162, article 2, section 19, is amended to read:

Subd. 5. AID. Adult basic education aid is equal to the difference between an approved program's adult basic education revenue and its adult basic education levy. Beginning with levies payable in 1998, if the district does not levy the full amount permitted, the adult education aid must be reduced in proportion to the actual amount levied.

New language is indicated by underline, deletions by strikeout.

Sec. 48. **CORRECTION 46.** Minnesota Statutes 1996, section 119B.13, subdivision 6, as added by Laws 1997, chapter 162, article 4, section 4, is amended to read:

Subd. 6. **PROVIDER PAYMENTS.** Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses. If payments for child care assistance are made to providers, the provider shall bill the county for services provided within ten days of the end of the month of service. If bills are submitted in accordance with the provisions of this subdivision 6, a county shall issue payment to the provider of child care under the child care fund within 30 days of receiving an invoice from the provider. Counties may establish policies that make payments on a more frequent basis. A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3.

Sec. 49. **CORRECTION 47.** Minnesota Statutes 1996, section 119B.05, subdivision 1, as amended by Laws 1997, chapter 162, article 4, section 19, is amended to read:

Subdivision 1. **ELIGIBLE RECIPIENTS.** Families eligible for child care assistance under the AFDC child care program are:

(1) persons receiving services under sections 256.031 to ~~256.04~~ 256.0361 and 256.047 to 256.048;

(2) AFDC recipients who are employed or in job search and meet the requirements of section 119B.10;

(3) persons who are members of transition year families under section 119B.01, subdivision 16;

(4) members of the control group for the STRIDE evaluation conducted by the Manpower Demonstration Research Corporation;

(5) AFDC caretakers who are participating in the STRIDE and non-STRIDE AFDC child care program;

(6) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under chapter 256K; and

(7) MFIP-S families who are participating in work activities as required in their job search support or employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J. Child care assistance to support work activities as described in section 256J.49 must be available according to sections 119B.01, subdivision 8, 121.882, 256E.08, 268.916, and 611A.32 and titles IVA, IVB, IVE, and XX of the Social Security Act.

Sec. 50. **CORRECTION 48.** Laws 1997, chapter 162, article 4, section 63, subdivision 5, is amended to read:

Subd. 5. **CHILD CARE DEVELOPMENT.** For child care development grants according to Minnesota Statutes, section 119B.21:

\$5,865,000	1998
\$1,865,000	1999

Any balance in the first year does not cancel but is available in the second year.

New language is indicated by underline, deletions by ~~strikeout~~.

Of the fiscal year 1998 appropriation, up to \$2,000,000 is for the following grants:

- (1) a grant to the Minnesota licensed family child care association for statewide implementation of the family child care mentorship model developed by the association;
- (2) a grant to the Minnesota child care apprentice/mentor program to modify the apprentice/mentor program for statewide implementation through the child care careers program of the community/technical college system;
- (3) a grant to expand project impact, which prepares child care providers and staff who are members of a community of color, as that term is defined in Minnesota Statutes, section 257.076, subdivision 3, to meet or exceed the education and experience requirements of assistant teachers, teachers, and family day care providers in licensed child care programs;
- (4) expansion of the Minnesota child care apprentice/mentor program, which prepares child care center staff to meet or exceed the education and experience requirements of teachers in licensed child care centers;
- (5) grants to the regional child care resource and referral programs under Minnesota Statutes, section 119B.18, and education and training loans made by the regional child care resource and referral programs under the loan program established in section 119B.18. No more than 2.5 percent of this appropriation may be used for administration of the loan program; and
- (6) a grant to a nonprofit corporation under Minnesota Statutes, section 119B.25. Up to five percent of the grant may be used by the department and the nonprofit corporation to administer the loan program including costs associated with setting up an information system to administer child care and early childhood education facility loans.

Sec. 51. EFFECTIVE DATE.

Unless provided otherwise, each section of this act takes effect at the time that the section of law enacted in 1997 that it amends or cites takes effect. Section 23 (Correction 68) is effective July 1, 1997.

Presented to the governor June 27, 1997

Signed by the governor June 30, 1997, 9:48 a.m.

New language is indicated by underline, deletions by ~~strikeout~~.