

Sec. 4. EFFECTIVE DATE.

This act is effective the day following final enactment and applies to actions pending on or commenced on or after that date.

Presented to the governor April 22, 1998

Signed by the governor April 22, 1998, 9:59 p.m.

CHAPTER 3—S.F.No. 8

An act relating to legislative enactments; correcting miscellaneous noncontroversial oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending 1998 H.F. No. 2874, article 1, sections 44, subdivision 2; and 52; article 4, section 16; and article 5, section 54, subdivisions 4 and 6; 1998 H.F. No. 3840, article 8, section 48; article 12, sections 7, subdivision 2; and 9, subdivision 4; article 15, section 22; 1998 H.F. No. 3843, sections 2, subdivision 8; 5, subdivision 3; 7, subdivisions 9 and 33, 15, subdivision 5; 23, subdivision 4; and 25, subdivision 9; 1998 S.F. No. 2407, section 31; 1998 S.F. No. 3346, article 1, section 2, subdivision 3; article 3, section 23; and article 6, section 119; Minnesota Statutes 1996, sections 124A.22, subdivision 14, as amended; and 124A.29, subdivision 1, as amended; Minnesota Statutes 1997 Supplement, sections 124A.28, subdivision 1a, as amended; 297A.25, subdivision 11, as amended; and 626.556, subdivision 10f, as amended.

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

Section 1. **CORRECTION 101.** 1998 H.F. No. 3840, article 15, section 22, if enacted, is amended to read:

Sec. 22. PROPERTY EXEMPT FROM TAXATION.

Any properties, real or personal, owned, leased, controlled, used, or occupied by the sanitary sewer board for any purpose under this article are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and are exempt from taxation by the state or any political subdivision of the state, provided that such properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement. No possible use of any such properties in any manner different from their use as part of the disposal system at the time shall be considered in determining the special benefit received by such properties. All such assessments shall be subject to final approval by the board, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. ~~All bonds, certificates of indebtedness, or other obligations of the board, and the interest thereon, are exempt from taxation by the state or any political subdivision of the state.~~

Sec. 2. **CORRECTION 101A.** Minnesota Statutes 1997 Supplement, section 297A.25, subdivision 11, as amended by 1998 H.F. No. 3840, article 8, section 10, if enacted, is amended to read:

Subd. 11. **SALES TO GOVERNMENT.** The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party

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under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Lola and Rudy Perpich Minnesota center for arts education, an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools, school districts, public libraries, public library systems, multi-county, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, the state library under section 480.09, and the legislative reference library are exempt.

As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, service cooperatives, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, and any instrumentality of a school district, as defined in section 471.59.

Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f).

Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.

Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care. Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.

Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.

Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.

Sales to a town of gravel and of machinery, equipment, and accessories, except motor vehicles, used exclusively for road and bridge maintenance, and leases of motor vehicles exempt from tax under section 297B.03, clause (10), are exempt.

Sales of telephone services to the department of administration that are used to provide telecommunications services through the intertechnologies revolving fund are exempt under this subdivision.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors

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to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.

Sales exempted by this subdivision include sales made to other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state, but do not include sales under section 297A.01, subdivision 3, paragraphs (c) and (e).

Sec. 3. **CORRECTION 101B.** 1998 H.F. No. 3840, article 8, section 48, if enacted, is amended to read:

Sec. 48. EFFECTIVE DATE.

Sections 1, 3, 8, 9, 19, and 21 are effective for sales and purchases made after June 30, 1998. Sections 2 and 47 are effective for sales made after June 30, 2000. Sections 5, 13, and 17 are effective for sales made after June 30, 1998. Sections 6 and 7 are effective for rentals after June 30, 1998. Section 10 is effective for purchases made after June 30, 1998. Sections 8, 12, 14, 15, and 34 are effective the day following final enactment. Section 16 is effective for purchases made after December 1, 1997. Section 18 is effective for purchases made after June 30, 1998, and before July 1, 2003. Section 20 is effective for local laws enacted after June 30, 1998. Sections 22 and 23 are effective July 1, 1998. Section 24 is effective December 31, 1997. Sections 25 to 27 are effective upon approval by the governing body of the city of Duluth and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 28 is effective upon approval by the governing body of the city of Mankato and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 29 is effective upon approval by the governing body of the city of Rochester and compliance with Minnesota Statutes, section 645.021, subdivision 3. Sections 30 to 32, 36, and 37 are effective the day after the governing body of the city of St. Paul complies with Minnesota Statutes, section 645.021. Section 35 is effective for transfers after November 30, 1997, and before January 1, 1999.

Sec. 4. **CORRECTION 101C.** 1998 H.F. No. 3840, article 12, section 7, subdivision 2, if enacted, is amended to read:

Subd. 2. **BORDER CITY ZONE CREDIT.** (a) A corporation may claim a credit against the tax imposed by sections 290.02, 290.0921, and 290.0922, subdivision 1, paragraph (a). The commissioner of revenue shall prescribe the method in which the credit may be claimed. This may include allowing the credit only as a separately processed claim for refund. The allowable credit is based on the tax liability attributable to business conducted within a zone, and may be equal to all or a portion of that liability, as determined by the city.

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(b) "Tax liability" means the tax liability under sections 290.02, 290.0921, and 290.0922, subdivision 1, paragraph (a), after any other credits.

(c) The tax liability attributable to business conducted within a zone means the taxpayer's tax liability multiplied by a fraction:

(1) the numerator of which is:

(i) the ratio of the taxpayer's property factor under section 290.191 located in the border city development zone, for the taxable year over the property factor ~~denominator~~ numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's payroll factor under section 290.191 located in the border city development zone, for the taxable year over the payroll factor ~~denominator~~ numerator determined under section 290.191; and

(2) the denominator of which is two.

(d) Any portion of the taxpayer's tax liability that is attributable to illegal activity conducted in the zone must not be used to calculate a credit under this subdivision.

(e) The credit allowed under this subdivision continues through the taxable year in which the zone designation expires.

(f) To be eligible for a credit under this subdivision, the taxpayer must file an annual return under chapter 290.

(g) The credit allowed under this subdivision may not exceed the lesser of:

(1) the tax liability of the taxpayer for the taxable year; or

(2) the amount of the tax credit certificates received by the taxpayer from the city, less any tax credit certificates used under section 469.1734, subdivisions 4, 5, and 6.

Sec. 5. **CORRECTION 101D.** 1998 H.F. No. 3840, article 12, section 9, subdivision 4, if enacted, is amended to read:

Subd. 4. **INCOME TAX.** (a) Upon application by the qualifying business to the city, and approval of the city, a qualifying business shall receive a credit against taxes imposed under chapter 290, other than the tax imposed under section 290.92, based on the taxable net income of the qualified business attributable to the border city, but outside the border city development zone, multiplied by 9.8 percent in the case of a taxpayer under section 290.02, and 8.5 percent in the case of a taxpayer taxable under section 290.06, subdivision 2c. The attributable net income of a qualified business in the border city is determined by multiplying the taxable net income of the business entity, determined as if the business were a C corporation, by a fraction:

(1) the numerator of which is:

(i) the ratio of the taxpayer's property factor under section 290.191 located in the border city, but outside of the border city development zone, for the taxable year over the property factor ~~denominator~~ numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's payroll factor under section 290.191 located in the border city, but outside of the border city development zone, for the taxable year over the payroll factor ~~denominator~~ numerator determined under section 290.191; and

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(2) the denominator of which is two.

(b) The credit under this subdivision applies after any credit allowed under subdivision 5.

(c) After any notice period required by subdivision 7, the city council must determine whether granting the credit is in the best interest of the city, and if it so determines, must approve the granting of the credit and determine its amount.

(d) The credit under this subdivision may not exceed the amount of the tax credit certificates received by the taxpayer from the city, less any tax credit certificates used under section 469.1732, subdivision 2, and subdivisions 5 and 6.

(e) No taxpayer may receive the credit under this subdivision for more than five taxable years.

Sec. 6. **CORRECTION 102.** 1998 H.F. No. 3843, section 7, subdivision 9, if enacted, is amended to read:

Subd. 9. Flood Hazard
Mitigation Grants

30,000,000

For the flood hazard mitigation grant program to local government units for publicly owned capital improvements to prevent or alleviate flood damages under Minnesota Statutes, section 103F.161.

\$1,500,000 is to construct ring dikes, whether publicly or privately owned.

\$500,000 is for a grant to Clay county to remove houses in the Crestwood addition in Kurtz township on the Red River that are endangered by the collapsing river bank. This appropriation need not be matched.

The commissioner shall determine other project priorities as appropriate based upon need.

As soon as the United States Army Corps of Engineers section 205 flood control study for the city of Breckenridge is complete, the commissioner shall make a recommendation to the legislature for the funding necessary to complete flood hazard mitigation efforts in the city.

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

Subd. 8. Duluth

(a) Library 22,300,000

To construct, furnish, and equip a new library.

(b) Academic Space Renovation 200,000

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

(c) Glensheen Mansion 600,000

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

This appropriation is from the general fund.

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

Subd. 3. Youth Enrichment 5,000,000

(a) For grants to local government units to design, furnish, equip, renovate, replace, or construct parks and recreation facilities and school facilities to provide youth, with preference for youth in grades 4 to 8, with regular enrichment activities during nonschool hours, including after school, evenings, weekends, and school vacation periods, and that will provide equal access and programming for all children. The buildings or facilities may be leased to nonprofit community organizations, ~~subject to Minnesota Statutes, section 16A.695,~~ for the same purposes. Enrichment programs include academic enrichment, homework assistance, computer and technology use, arts and cultural activities, clubs, school-to-work and workforce development, athletic, and recreational activities. Grants must be used to expand the number of

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children participating in enrichment programs or improve the quality or range of program offerings. The facilities must be fully available for programming sponsored by nonprofit and community groups serving youth, or school, county, or city programs, for maximum hours after school, evenings, weekends, summers, and other school vacation periods. Priority must be given to proposals that demonstrate collaborations among private, nonprofit, and public agencies, including regional entities dealing with at-risk youth, and community and parent organizations in arranging for programming, staffing, transportation, and equipment. All proposals must include an inventory of existing facilities and an assessment of programming needs in the community.

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

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

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

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

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

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

Subd. 33. Bald Eagle Center 500,000

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

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

Subd. 5. Tennis Facility 800,000

For a grant to the city of St. Paul to design a tennis center to offer indoor tennis facilities, ~~subject to the requirements of Minnesota Statutes, section 16A.695.~~ The center may be constructed only after endorsement by a national governing body member of the United States Olympic Committee.

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

Subd. 4. Phillips Neighborhood Job Creation, Green Institute 1,500,000

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

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This appropriation is from the general fund.

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

Subd. 9. Treaty Site History
Center

400,000

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

This appropriation is from the general fund.

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

Sec. 31. **APPROPRIATION.**

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

- (1) \$295,000 is for youth-oriented driver improvement clinics and implementation of the graduated licensing system under this act; and
- (2) \$7,700 is for implementation of section 16 17.

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

Subd. 3. Basic Health Care Grants

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

Summary by Fund

General	(94,591,000)	(128,833,000)
Health Care Access	(2,938,000)	(17,969,000)

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

(a) Minnesota Care Grants

Health Care Access Fund

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

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

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

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

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

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

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

(d) General Assistance Medical Care

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

PRESCRIPTION DRUG BENEFIT. (a) If, by September 15, 1998, federal approval is obtained to provide a prescription drug benefit for qualified Medicare beneficiaries at no less than 100 percent of the federal poverty guidelines and service-limited Medicare beneficiaries under Minnesota Statutes, section 256B.057, subdivision 3a, at no less than 120 percent of federal poverty guidelines, the commissioner of human services shall not implement the senior citizen drug program under Minnesota Statutes, section 256.955, but shall implement a drug benefit in accordance with the approved waiver. Upon approval of this waiver, the total appropriation for the senior citizen drug program under Laws 1997, chapter 225, article 7, section 2, shall be transferred to the medical assistance account to fund the federally approved coverage for eligible persons for fiscal year 1999.

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

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

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

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

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

Sec. 23. **RECOMMENDATIONS TO IMPLEMENT NEW REIMBURSEMENT SYSTEM.**

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

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

(c) In making recommendations for ICF/MR reimbursement, the commissioner may consider methods of establishing payment rates that take into account individual client costs and needs, include provisions to establish links between performance indicators and reimbursement and other performance incentives, and allow local control over resources necessary for local agencies to set rates and contract with ICF/MR facilities. In

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addition, the commissioner may establish methods that provide information to consumers regarding service quality as measured by performance indicators. The commissioner shall involve ICF/MR industry and consumer representatives in the development of these recommendations.

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

Sec. 119. EFFECTIVE DATES.

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

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

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

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

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

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

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

Subd. 14. GRADUATION STANDARDS IMPLEMENTATION REVENUE.

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

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

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

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

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

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

(ii) to reduce class size.

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

(d) To the extent possible, school districts shall make opportunities for graduation standards implementation available to teachers employed by intermediate school districts. If the commissioner determines that the supplemental appropriation made for this subdivision under section 40, subdivision 2, is in excess of the amount needed for this subdivision, the commissioner shall make equal payments of one-third of the excess to each intermediate school district for the purpose of paragraph (a).

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 52. **EFFECTIVE DATES.**

(a) Sections 1, 2, 15, 16, 17, 37, 38, and 40 are effective July 1, 1998.

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(b) Sections 4, 5, 8, 9, 12, 13, 25, 41, 42, and 43 are effective for revenue for fiscal year 1998.

(c) Section 7 is effective retroactively to July 1, 1997, for revenue for fiscal year 1999.

(d) Sections 10, 11, 26, 27, 28, 31, 34, and 35 are effective for revenue for fiscal year 1999.

(e) ~~Section~~ Sections 3 and 14 ~~is are~~ effective July 1, 1999.

(f) Section 18 is effective for revenue for fiscal year 2000.

(g) Section 21 is effective retroactive for revenue for fiscal year 1997.

(h) Sections 24, 33, and 46 are effective the day following final enactment.

(i) Section 32 is effective for revenue for fiscal year 2001.

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

Sec. 16. TAX LEVY FOR DEBT SERVICE.

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

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

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

\$ 100,000 1999

Sec. 24. **CORRECTION 106G.** 1998 H.F. No. 2874, article 5, section 54, subdivision 6, if enacted, is amended to read:

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

\$ 2,000,000 1999

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

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

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

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

Sec. 26. EFFECTIVE DATE.

Unless provided otherwise, each section of this act takes effect at the time the provision being corrected takes effect.

Presented to the governor April 22, 1998

Signed by the governor April 22, 1998, 10:00 p.m.

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