

less than five percent of the suggested retail price of the equipment. If the requirements of this subdivision are met and alternate terms and conditions are in place, subdivisions 2 to 7 do not apply and the alternate terms and conditions are enforceable.

Sec. 2. Minnesota Statutes 2002, section 325E.068, subdivision 2, is amended to read:

Subd. 2. **HEAVY AND UTILITY EQUIPMENT.** "Heavy and utility equipment," "heavy equipment," or "equipment" means equipment and parts for equipment including but not limited to:

(1) excavators, crawler tractors, wheel loaders, compactors, pavers, backhoes, hydraulic hammers, cranes, fork lifts, compressors, generators, attachments and repair parts for them, and other equipment, including attachments and repair parts, used in all types of construction of buildings, highways, airports, dams, or other earthen structures or in moving, stock piling, or distribution of materials used in such construction; or

(2) trucks and truck parts; or

(3) equipment used for, or adapted for use in, mining or forestry applications.

Presented to the governor May 19, 2003

Signed by the governor May 22, 2003, 9:08 p.m.

CHAPTER 79—S.F.No. 1260

An act relating to public utilities; making changes to the telephone assistance plan; amending Minnesota Statutes 2002, sections 237.70, subdivisions 2, 3, 4a, 5, 6, 7; 237.701, subdivision 1.

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

Section 1. Minnesota Statutes 2002, section 237.70, subdivision 2, is amended to read:

Subd. 2. **SCOPE.** The telephone assistance plan must be statewide and apply to ~~telephone companies~~ local service providers that provide local exchange service in Minnesota.

Sec. 2. Minnesota Statutes 2002, section 237.70, subdivision 3, is amended to read:

Subd. 3. **FEDERAL MATCHING PLAN.** The telephone assistance plan must contain adequate provisions to enable ~~telephone companies~~ local service providers to qualify for waiver of the federal interstate access charge and to enable eligible subscribers to take advantage of the federal matching plan.

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

Sec. 3. Minnesota Statutes 2002, section 237.70, subdivision 4a, is amended to read:

Subd. 4a. **HOUSEHOLD ELIGIBLE FOR CREDIT.** The telephone assistance plan must provide telephone assistance credit for a residential household in Minnesota that meets each of the following criteria:

- (1) has a household member who:
 - (i) subscribes to local exchange service; and
 - (ii) is either disabled or 65 years of age or older;
- (2) whose household income is 150 percent or less of federal poverty guidelines or is currently eligible for:
 - (i) the Minnesota family investment program;
 - (ii) medical assistance;
 - (iii) general assistance;
 - (iv) Minnesota supplemental aid;
 - (v) food stamps;
 - (vi) refugee cash assistance or refugee medical assistance;
 - (vii) energy assistance; or
 - (viii) supplemental security income; and
- (3) who has been certified as eligible for telephone assistance plan credits is eligible for the federal Lifeline telephone service discount.

Sec. 4. Minnesota Statutes 2002, section 237.70, subdivision 5, is amended to read:

Subd. 5. **NATURE AND EXTENT OF CREDITS.** The telephone assistance plan may provide for telephone assistance credits to eligible households up to the amounts available under the federal matching plan. However, the credits available under the telephone assistance plan may not exceed:

- (1) more than 50 percent of the local exchange rate charged for the local exchange service provided to the household by that household's ~~telephone company~~ local service provider; and
- (2) the level of credits that can actually be funded in accordance with the limitations contained in subdivision 6.

Sec. 5. Minnesota Statutes 2002, section 237.70, subdivision 6, is amended to read:

Subd. 6. **FUNDING.** The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each ~~telephone company~~ local service provider in the state.

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

Sec. 6. Minnesota Statutes 2002, section 237.70, subdivision 7, is amended to read:

Subd. 7. **ADMINISTRATION.** The telephone assistance plan must be administered jointly by the commission, the department of human services commerce, and the telephone companies local service providers in accordance with the following guidelines:

(a) The commission and the department of human services commerce shall develop an application form that must be completed by the subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the department of human services local service provider. The application must contain the applicant's social security number. Applicants who refuse to provide a social security number will be denied telephone assistance plan credits. The application form must also include provisions for the applicant to show the name of the applicant's telephone company. The application must also advise the applicant to submit the required proof of age or disability, and income and must provide examples of acceptable proof. The application must state that failure to submit proof with the application will result in the applicant being found ineligible a statement that the applicant household is currently eligible for one of the programs that confers eligibility for the federal Lifeline Program. The application must be signed by the applicant, certifying, under penalty of perjury, that the information provided by the applicant is true. Each telephone company local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND IF YOU MEET CERTAIN HOUSEHOLD INCOME LIMITS RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT

(b) The department of human services shall determine the eligibility for telephone assistance plan credits at least annually according to the criteria contained in subdivision 4a.

(c) An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied, the applicant must return the application to an office of the department of human services specially designated to process telephone assistance plan applications the subscriber's local service provider. On receiving a completed application from an applicant, the department of human services shall determine the applicant's eligibility or ineligibility within 120 days. If the department fails to do so, it shall within three working days provide written notice to the applicant's telephone company that the company

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subscriber's local service provider shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the written notice application. The applicant must receive telephone assistance plan credits until the earliest possible month following the company's service provider's receipt of notice from the department information that the applicant is ineligible.

If the department of human services determines that an applicant is not eligible to receive telephone assistance plan credits, it shall notify the applicant within ten working days of that determination.

Within ten working days of determining that an applicant is eligible to receive telephone assistance plan credits, the department of human services shall provide written notification to the telephone company that serves the applicant. The notice must include the applicant's name, address, and telephone number.

Each telephone company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of notice from the department of human services.

By December 31 of each year, the department of human services shall redetermine eligibility of each person receiving telephone assistance plan credits, as required in paragraph (b). The department of human services shall submit an annual report to the commission by January 15 of each year showing that the department has determined the eligibility for telephone assistance plan credits of each person receiving the credits or explaining why the determination has not been made and showing how and when the determination will be completed.

If the department of human services determines that a current recipient of telephone assistance plan credits is not eligible to receive the credits, it shall notify, in writing, the recipient within ten working days and the telephone company serving the recipient within 20 working days of the determination. The notice must include the recipient's name, address, and telephone number.

Each telephone company shall remove telephone assistance plan credits against monthly charges in the earliest possible month following receipt of notice from the department of human services.

Each telephone company that disconnects a subscriber receiving the telephone assistance plan credit shall report the disconnection to the department of human services. The reports must be submitted monthly, identifying the subscribers disconnected. Telephone companies that do not disconnect a subscriber receiving the telephone assistance plan credit are not required to report.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the telephone company local service provider must notify the subscriber of the approval for the telephone assistance plan credit.

(d) (c) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

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

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

(2) establish a uniform statewide level of telephone assistance plan credit that each telephone ~~company~~ local service provider shall extend to each eligible household in its service area;

(3) require each telephone ~~company~~ local service provider to account to the commission on a periodic basis for surcharge revenues collected by the ~~company~~ provider, expenses incurred by the ~~company~~ provider, not to include expenses of collecting surcharges, and credits extended by the ~~company~~ provider under the telephone assistance plan;

(4) require each telephone ~~company~~ local service provider to remit surcharge revenues to the department of administration for deposit in the fund; and

(5) remit to each telephone ~~company~~ local service provider from the surcharge revenue pool the amount necessary to compensate the ~~company~~ provider for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) (d) Each telephone ~~company~~ local service provider shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the department of commerce with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) (e) The department of commerce shall investigate complaints against telephone ~~companies~~ local service providers with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 7. Minnesota Statutes 2002, section 237.701, subdivision 1, is amended to read:

Subdivision 1. **FUND CREATED; AUTHORIZED EXPENDITURES.** The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone ~~companies~~ local service providers for expenses and credits allowed in section 237.70, subdivision 7, paragraph ~~(d)~~ (c), clause (5);

(2) reimbursement of the administrative expenses of the department of human services to implement sections 237.69 to 237.71, not to exceed \$314,000 annually;

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(3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually; and

(4) (3) reimbursement of the statewide indirect cost of the commission.

Presented to the governor May 19, 2003

Signed by the governor May 22, 2003, 9:30 p.m.

CHAPTER 80—S.F.No. 231

An act relating to local government; establishing a retroactive effective date for St. Paul civil service separation.

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

Section 1. ST. PAUL CIVIL SERVICE SEPARATION.

Laws 1995, First Special Session chapter 3, article 8, sections 13 and 14, having been approved by a majority vote of the school board of independent school district No. 625, St. Paul, on December 19, 1995, and having been approved by a majority vote of the city council of the city of St. Paul on January 10, 1996, are effective retroactive from July 1, 1997, despite the failure to timely file with the secretary of state the certificates of local approval as required by Laws 1995, First Special Session chapter 3, article 8, section 27. This section and Laws 1995, First Special Session chapter 3, article 8, sections 13 and 14, are effective without further local approval and without any filing with the secretary of state. Actions undertaken pursuant to Laws 1995, First Special Session chapter 3, article 8, sections 13 and 14, are validated by this section.

Presented to the governor May 19, 2003

Signed by the governor May 22, 2003, 9:35 p.m.

CHAPTER 81—S.F.No. 28

An act relating to commerce; modifying and enacting the amendments to Articles 3 and 4 of the Uniform Commercial Code recommended by the National Conference of Commissioners on Uniform State Laws; amending Minnesota Statutes 2002, sections 336.3-103; 336.3-106; 336.3-116; 336.3-119; 336.3-305; 336.3-309; 336.3-312; 336.3-416; 336.3-417; 336.3-419; 336.3-602; 336.3-604; 336.3-605; 336.4-104; 336.4-207; 336.4-208; 336.4-212; 336.4-301; 336.4-403.

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

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