STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2006

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ONE HUNDRED SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 8, 2006

The House of Representatives convened at 12:00 noon and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Hans Jorgensen, St. Timothy Lutheran Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Abeler
Abrams
Anderson, B.
Atkins
Beard
Bernardy
Blaine
Brod
Bradley
Buesgens
Carlson
Charron
Cornish
Cox
Cybart
Davids
Davnie
Dean
DeLaForest
Demmer
Dempsey
Dill

Dittrich
Dorman
Dorn
Eastlund
Eken
Ellison
Emmer
Entenza
Erhardt
Erickson
Finstad
Fritz
Garofalo
Gazelka
Goodwin
Greiling
Gunther
Hackbart
Hamilton
Hansen
Hausman
Haws
Heidgerken
Hilstrom
Hilty
Holberg
Hoppe
Hornstein
Hortman
Hosch
Howes
Huntley
Jaros
Johnson, J.
Johnson, R.
Johnson, S.
Juhnke
Kahn
Kellihier
Klinzing
Knoblach
Koenen
Krinkie
Lanning

Larson
Latz
Lesch
Liebling
Lieder
Lillie
Loefler
Magnus
Mahoney
Marquart
McNamara
Meslow
Moe
Mullery
Murphy
Newman
Nornes
Olson
Otrempa
Ozment

Paulsen
Paymar
Penas
Pelowski
Petter
Peppin
Petter, A.
Peter
Peter, N.
Peter, S.

Soderstrom
Solberg
Sykora
Thao
Thissen
Tingelstad
Urdahl
Vandeveer
Wagenius
Walker
Wardlow
Welti
Westberg
Westrom
Zellers
Spk. Sviggum

A quorum was present.

Anderson, I.; Kohls; Mariani and Ruth were excused.

Lenczewski was excused until 12:25 p.m. Clark was excused until 1:05 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Westerberg moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.
REPRESENTATION OF THE HOUSE

S. F. No. 2528 and H. F. No. 2944, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sieben moved that the rules be so far suspended that S. F. No. 2528 be substituted for H. F. No. 2944 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2995 and H. F. No. 3282, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Davids moved that the rules be so far suspended that S. F. No. 2995 be substituted for H. F. No. 3282 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3105 and H. F. No. 3454, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ruth moved that S. F. No. 3105 be substituted for H. F. No. 3454 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3106 and H. F. No. 3438, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ruth moved that S. F. No. 3106 be substituted for H. F. No. 3438 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3176 and H. F. No. 3525, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simpson moved that the rules be so far suspended that S. F. No. 3176 be substituted for H. F. No. 3525 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 1862, A bill for an act relating to health; establishing evidence-based practice standards; requiring a report on uncompensated care and reporting on acquired infections; authorizing a study on alternative and complimentary health care; permitting discounted health care payments under certain circumstances; modifying
provisions in the public employees insurance program; modifying private sector health coverage provisions; allowing service cooperatives to contract for goods and services under certain conditions; adding a provision for medical liability; amending Minnesota Statutes 2004, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 6a, 7, 8, 10, by adding subdivisions; 62D.095, subdivisions 3, 4, by adding a subdivision; 72A.20, by adding a subdivision; 123A.21, subdivision 7; 144.698, by adding a subdivision; 151.214, subdivision 1; 471.61, by adding a subdivision; 471.617, subdivision 3, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 214.071; proposing coding for new law in Minnesota Statutes, chapters 62J; 62M; 62Q; 144; 214; 604; repealing Minnesota Statutes 2005 Supplement, section 62Q.251.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HEALTH CARE COST-CONTAINMENT

Section 1. [62J.431] EVIDENCE-BASED PRACTICE STANDARDS AND GUIDELINES.

Subdivision 1. Health-related boards and provider organizations; practice standards. The health-related boards, under chapter 148, or professional provider organizations may establish practice standards for treating patients within their respective scopes of practice. The boards or provider organizations may utilize the services of appropriate public or private entities to facilitate the development or review of practice standards and evidence-based guidelines. Each board or provider organization that has established or ratified existing standards shall report these standards to the legislative committees with jurisdiction over the public health occupations by January 15, 2007, and shall report subsequent changes annually thereafter. If a board or provider organization has existing standards, nothing in this section requires a board or provider organization to establish new standards. Nothing in this section shall require a health plan company to cover treatments, testing, or imaging, based on standards developed under this section.

Subd. 2. Criteria for evidence-based guidelines. Guidelines identified under this section must meet the following criteria:

(1) the scope and application are clear;

(2) authorship is stated and any conflicts of interest disclosed;

(3) authors represent all pertinent clinical fields or other means of input have been used;

(4) the development process is explicitly stated;

(5) the guideline is grounded in evidence;

(6) the evidence is cited and graded;

(7) the document itself is clear and practical;

(8) the document is flexible in use, with exceptions noted or provided for with general statements;

(9) measures are included for use in systems improvement; and

(10) the guideline has scheduled reviews and updating.
Sec. 2. [62J.62] ELECTRONIC BILLING ASSISTANCE.

The commissioner of human services shall, out of existing resources, encourage and assist providers to adopt and use electronic billing for state programs, including but not limited to the provision of training.

Sec. 3. [62M.071] PRIOR AUTHORIZATION.

Health plan companies, in cooperation with health care providers, shall review prior authorization procedures administered by utilization review organizations and health plan companies to ensure the cost-effective use of prior authorization and minimization of provider, clinic, and central office administrative burden.

Sec. 4. [62M.072] USE OF EVIDENCE-BASED STANDARDS.

If no independently developed evidence-based standards exist for a particular treatment, testing, or imaging procedure, then an insurer or utilization review organization shall not deny coverage of the treatment, testing, or imaging based solely on the grounds that the treatment, testing, or imaging does not meet an evidence-based standard.

Sec. 5. [144.0506] AGENCY WEB SITES.

Subdivision 1. Information to be posted. The commissioner of health may post the following information on agency Web sites, including minnesotahealthinfo.com:

(1) healthy lifestyle and preventive health care information, organized by sex and age, with procedures and treatments categorized by level of effectiveness and reliability of the supporting evidence on effectiveness;

(2) health plan company administrative efficiency report cards;

(3) health care provider charges for common procedures, based on information available under section 62J.052;

(4) evidence-based medicine guidelines and related information for use as resources by health care professionals, and summaries of the guidelines and related information for use by patients and consumers;

(5) resources and Web links related to improving efficiency in medical clinics and health care professional practices; and

(6) lists of nonprofit and charitable entities that accept donations of used medical equipment and supplies, such as crutches and walkers.

Subd. 2. Other Internet resources. The commissioner of health, in implementing subdivision 1, shall include relevant Web links and materials from private sector and other government sources in order to avoid duplication and reduce state administrative costs.

Subd. 3. Cooperation with commissioner of commerce. The commissioner of health shall consult and work in cooperation with the commissioner of commerce when posting on the Web site information collected from health plan companies regulated by the commissioner of commerce.
Sec. 6. [147.37] INFORMATION PROVISION; PHARMACEUTICAL ASSISTANCE PROGRAMS.

The board shall encourage licensees to make available to patients information on free and discounted prescription drug programs offered by pharmaceutical manufacturers when the information is provided to the licensees at no cost.

Sec. 7. Minnesota Statutes 2004, section 151.214, subdivision 1, is amended to read:

Subdivision 1. Explanation of pharmacy benefits. A pharmacist licensed under this chapter must provide to a patient, for each prescription dispensed where part or all of the cost of the prescription is being paid or reimbursed by an employer-sponsored plan or health plan company, or its contracted pharmacy benefit manager, the patient's co-payment amount and the pharmacy's own usual and customary price of the prescription or the amount the pharmacy will be paid for the prescription drug by the patient's employer-sponsored plan or health plan company, or its contracted pharmacy benefit manager.

Sec. 8. Minnesota Statutes 2005 Supplement, section 214.071, is amended to read:

214.071 HEALTH BOARDS; DIRECTORY OF LICENSEES.

By July 1, 2009, each health-related licensing board under chapters 147, 148, 148B, and 150A, as defined in section 214.01, subdivision 2, shall establish a directory of licensees that includes biographical data for each licensee.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 9. [214.121] PRICE DISCLOSURE REMINDER.

Each health-related licensing board shall at least annually inform and remind its licensees of the price disclosure requirements of section 62J.052 or 151.214, as applicable, through the board's regular means of communicating with its licensees.

Sec. 10. [256B.043] COST CONTAINMENT EFFORTS.

Subdivision 1. Alternative and complementary health care. The commissioner of human services, through the medical director and in consultation with the health services policy committee established under section 256B.0625, subdivision 3c, as part of the commissioner's ongoing duties, shall consider the potential for improving quality and obtaining cost savings through greater use of alternative and complementary treatment methods that are supported by the findings of evidence-based research; shall incorporate these methods into the medical assistance, MinnesotaCare, and general assistance medical care programs; and shall make related legislative recommendations as appropriate.

Subd. 2. Access to care. (a) The commissioners of human services and health, as part of their ongoing duties, shall consider the adequacy of the current system of community health clinics and centers both statewide and in urban areas with significant disparities in health status and access to services across racial and ethnic groups, including:

(1) methods to provide 24-hour availability of care through the clinics and centers;

(2) methods to expand the availability of care through the clinics and centers;
(3) the use of grants to expand the number of clinics and centers, the services provided, and the availability of care; and

(4) the extent to which increased use of physician assistants, nurse practitioners, medical residents and interns, and other allied health professionals in clinics and centers would increase the availability of services.

(b) The commissioners shall make departmental modifications and legislative recommendations as appropriate on the basis of their considerations under paragraph (a).

Sec. 11. REPORTING OF ACQUIRED INFECTIONS.

(a) The commissioner of health may consult with infection control specialists, health care facility representatives, and consumers for the purpose of obtaining recommendations regarding a determination of the need for action to implement health care associated infection control reporting in hospitals and nursing homes. If the outcome of the determination warrants, the commissioner shall consult with the group regarding:

(1) the selection of reporting measures relating to health care associated infections;

(2) design, implementation, validation, and ongoing evaluation of the reporting system; and

(3) ensuring that the reporting measures remain flexible and adaptable to changing national standards.

(b) If the commissioner determines that there is a need for the action described in paragraph (a), the commissioner shall make written recommendations to the legislature.

Sec. 12. STUDY OF HOSPITAL UNCOMPENSATED CARE.

(a) The commissioner of health shall study and report to the legislature by January 15, 2007, the following:

(1) trends in hospitals’ cost of providing uncompensated care, separately identifying charity care and bad debt as components of uncompensated care;

(2) the impact of any changes in hospitals’ charity care policies and debt collection practices in the past three years on the amount of uncompensated care provided and the number of patients receiving uncompensated care; and

(3) the value of hospital uncompensated care and community benefits in comparison to the value of tax exemptions received as a result of nonprofit status.

(b) The commissioner’s report to the legislature shall include recommendations on: (1) the need for more uniform hospital charity care policies and debt collection practices; and (2) the need for more uniform reporting of community benefits provided by nonprofit hospitals.

Sec. 13. APPROPRIATION.

In fiscal year 2007, $50,000 is appropriated from the general fund to the commissioner of human services for the efforts required under Minnesota Statutes, section 256B.043.
ARTICLE 2
CHARITY CARE BY HEALTH CARE PROVIDERS

Section 1. [62J.83] REDUCED PAYMENT AMOUNTS PERMITTED.

(a) Notwithstanding any provision of chapter 148 or any other provision of law to the contrary, a health care provider may provide care to a patient at a discounted payment amount, including care provided for free.

(b) This section does not apply in a situation in which the discounted payment amount is not permitted under federal law.

Sec. 2. Minnesota Statutes 2004, section 72A.20, is amended by adding a subdivision to read:

Subd. 39. Discounted payments by health care providers; effect on use of usual and customary payments. An insurer, including, but not limited to, a health plan company as defined in section 62Q.01, subdivision 4; a reparation obligor as defined in section 65B.43, subdivision 9; and a workers’ compensation insurer shall not consider in determining a health care provider’s usual and customary payment, standard payment, or allowable payment used as a basis for determining the provider’s payment by the insurer, the following discounted payment situations:

(1) care provided to relatives of the provider;

(2) care for which a discount or free care is given in hardship situations; and

(3) care for which a discount is given in exchange for cash payment.

For purposes of this subdivision, "health care provider" and "provider" have the meaning given in section 62J.03, subdivision 8.

Sec. 3. REPEALER.

Minnesota Statutes 2005 Supplement, section 62Q.251, is repealed.

Sec. 4. EFFECTIVE DATE.

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

ARTICLE 3
PRIVATE SECTOR HEALTH COVERAGE PROVISIONS

Section 1. Minnesota Statutes 2004, section 62D.095, subdivision 3, is amended to read:

Subd. 3. Deductibles. (a) A health maintenance contract issued by a health maintenance organization that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association may impose deductibles not to exceed $3,000 $5,000 per person, per year and $6,000 $10,000 per family, per year. For purposes of the percentage calculation, a health maintenance organization’s assessments include those of its affiliates.

(b) All other health maintenance contracts may impose deductibles not to exceed $2,250 per person, per year and $4,500 per family, per year.
Sec. 2. Minnesota Statutes 2004, section 62D.095, subdivision 4, is amended to read:

Subd. 4. Annual out-of-pocket maximums. (a) A health maintenance contract issued by a health maintenance organization that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association must include a limitation not to exceed $4,500 per person and $7,500 per family on total annual out-of-pocket enrollee cost-sharing expenses. For purposes of the percentage calculation, a health maintenance organization's assessments include those of its affiliates.

(b) All other health maintenance contracts must include a limitation not to exceed $3,000 per person and $6,000 per family on total annual out-of-pocket enrollee cost-sharing expenses.

Sec. 3. [62Q.645] DISTRIBUTION OF INFORMATION; ADMINISTRATIVE EFFICIENCY AND COVERAGE OPTIONS.

(a) The commissioner may use reports submitted by health plan companies, service cooperatives, and the public employee insurance program created in section 43A.316 to compile entity specific administrative efficiency reports; may make these reports available on state agency Web sites, including minnesotahealthinfo.com; and may include information on:

(1) number of covered lives;

(2) covered services;

(3) geographic availability;

(4) whom to contact to obtain current premium rates;

(5) administrative costs, using the definition of administrative costs developed under section 62J.38;

(6) Internet links to information on the health plan, if available; and

(7) any other information about the health plan identified by the commissioner as being useful for employers, consumers, providers, and others in evaluating health plan options.

(b) This section does not apply to a health plan company unless its annual Minnesota premiums exceed $50,000,000 based on the most recent assessment base of the Minnesota Comprehensive Health Association. For purposes of this determination, the premiums of a health plan company include those of its affiliates.

Sec. 4. MEDICAL MALPRACTICE INSURANCE REPORT.

(a) The commissioner of commerce shall provide to the legislature annually a brief written report on the status of the market for medical malpractice insurance in Minnesota. The report must summarize, interpret, explain, and analyze information on that subject available to the commissioner, through annual statements filed by insurance companies, information obtained under paragraph (c), and other sources.

(b) The annual report must consider, to the extent possible, using definitions developed by the commissioner, Minnesota-specific data on market shares; premiums received; amounts paid to settle claims that were not litigated, claims that were settled after litigation began, and claims that were litigated to court judgment; amounts spent on processing, investigation, litigation, and otherwise handling claims; other sales and administrative costs; and the loss ratios of the insurers.
(c) Each insurance company that provides medical malpractice insurance in this state shall, no later than June 1 each year, file with the commissioner of commerce, on a form prescribed by the commissioner and using definitions developed by the commissioner, the Minnesota-specific data referenced in paragraph (b), other than market share, for the previous calendar year for that insurance company, shown separately for various categories of coverages including, if possible, hospitals, medical clinics, nursing homes, physicians who provide emergency medical care, obstetrician gynecologists, and ambulance services. An insurance company need not comply with this paragraph if its direct premium written in the state for the previous calendar year is less than $2,000,000.

ARTICLE 4

SERVICE COOPERATIVES

Section 1. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to read:

Subd. 7. Educational programs and services. (a) The board of directors of each SC shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested for implementation by the SC during the following year and shall contain components of long-range planning determined by the SC. These programs and services may include, but are not limited to, the following areas:

1. administrative services;
2. curriculum development;
3. data processing;
4. distance learning and other telecommunication services;
5. evaluation and research;
6. staff development;
7. media and technology centers;
8. publication and dissemination of materials;
9. pupil personnel services;
10. planning;
11. secondary, postsecondary, community, adult, and adult vocational education;
12. teaching and learning services, including services for students with special talents and special needs;
13. employee personnel services;
14. vocational rehabilitation;
15. health, diagnostic, and child development services and centers;
16. leadership or direction in early childhood and family education;
(17) community services; 
(18) shared time programs; 
(19) fiscal services and risk management programs; 
(20) technology planning, training, and support services; 
(21) health and safety services; 
(22) student academic challenges; and 
(23) cooperative purchasing services. 

(b) A group health, dental, or long-term disability coverage program provided by one or more service cooperatives:

(1) must rebid contracts for insurance and third-party administration at least every four years. The contracts may be regional or statewide in the discretion of the SC; and

(2) may determine premiums for its health, dental, or long-term disability coverage individually for specific employers or may determine them on a pooled or other basis established by the SC.

EFFECTIVE DATE. This section is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; establishing practice standards and evidence-based guidelines for treating patients; implementing health care cost-containment measures; requiring a study of hospital uncompensated care; allowing discounted payment for health care under certain circumstances; allowing entity certain specific administrative efficiency reports to be published on the state agency Web sites; requiring a medical malpractice insurance report; adding provisions for service cooperatives contracts; appropriating money; amending Minnesota Statutes 2004, sections 62D.095, subdivisions 3, 4; 72A.20, by adding a subdivision; 123A.21, subdivision 7; 151.214, subdivision 1; Minnesota Statutes 2005 Supplement, section 214.071; proposing coding for new law in Minnesota Statutes, chapters 62J; 62M; 62Q; 144; 147; 214; 256B; repealing Minnesota Statutes 2005 Supplement, section 62Q.251."

With the recommendation that when so amended the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 2294, A bill for an act relating to stadiums; providing for the financing of a football stadium in Anoka County; creating a stadium authority; authorizing the county to levy and collect certain taxes; amending Minnesota Statutes 2004, sections 297A.68, by adding a subdivision; 297A.71, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 473J.

Reported the same back with the following amendments:
Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision to read:

Subd. 37. Stadium construction materials and equipment exempt. Materials and supplies used or consumed in, and equipment incorporated into the construction of, a National Football League stadium constructed under chapter 473J are exempt. The exemption under this subdivision terminates one year after the first National Football League game is played in the stadium.

Sec. 2. [473.5996] METRODOME PROCEEDS ACCOUNT.

Subdivision 1. Creation. A Metrodome proceeds account is created in the special revenue fund in the state treasury. Upon the sale of the Metrodome, the Metropolitan Sports Facilities Commission must transfer the net sale proceeds to the Metrodome proceeds account.

Subd. 2. Report. The Metropolitan Sports Facilities Commission shall make recommendations to the legislature concerning the appropriate division of the sale proceeds between the city of Minneapolis, the University of Minnesota, the Minnesota Twins, and the Minnesota Vikings. The recommendations are due within one month of the commencement of the legislative session next following the sale of the Metrodome.

Sec. 3. [473J.01] PURPOSE.

The legislature finds that construction of a new stadium that meets National Football League programmatic requirements, with a retractable or fixed roof, in the city of Blaine, county of Anoka, serves a public purpose. The legislature finds that the public purpose served includes retaining the Minnesota Vikings as a part of Minnesota's public amenities for its citizens and as a major attraction to visitors to the state, adding to the economic development of the state, Anoka County, and surrounding communities, attracting revenue from out of the state, and preserving the contributions of football to the culture of Minnesota and to the enjoyment of its citizens. Further, the legislature finds that a National Football League stadium may be financed as a public-private partnership between the state, Anoka County, the Minnesota Vikings, and other supporting interests that may contribute to the construction of a football stadium and related facilities. The legislature further finds that a new stadium should be coordinated with transportation and transit plans and activities.

Sec. 4. [473J.02] DEFINITIONS.

Subdivision 1. Terms. For the purposes of this chapter, the terms defined in this section have the meanings given them in this section, except as otherwise provided.

Subd. 2. Authority. "Authority" means the Anoka County-Blaine Stadium Authority.

Subd. 3. Sports facilities. "Sports facilities" means the stadium, with a retractable or fixed roof, adjoining structures related to the operation of the stadium, practice facilities, including preseason training camp facilities, and other supporting infrastructure, including parking.

Subd. 4. Stadium district. "Stadium district" means a district containing the National Football League stadium and consisting of no more than 740 contiguous acres surrounding the sports facilities that is jointly designated by the authority, Anoka County, and the city of Blaine.

Sec. 5. [473J.03] LOCATION.

The new National Football League stadium shall be located in the city of Blaine, Anoka County, Minnesota.
Sec. 6. [473J.04] ANOKA COUNTY-BLAINE STADIUM AUTHORITY; MEMBERSHIP; ADMINISTRATION.

Subdivision 1. General. The Anoka County-Blaine Stadium Authority is established and shall be organized and administered as provided in this section. The Anoka County-Blaine Stadium Authority is established as a public body, corporate and politic, and political subdivision of the state. The authority is not a joint powers entity or an agency or instrumentality of the county. The authority shall have those powers authorized by section 473J.05.

Subd. 2. Membership. The authority shall have seven members, three of whom shall be appointed by the Anoka County Board of Commissioners and three of whom shall be appointed by the Blaine city council. The seventh member shall be a chair appointed as provided in subdivision 3.

Subd. 3. Chair. The chair shall be appointed by the governor as the seventh voting member and shall meet all the qualifications of a member. The chair shall preside at all meetings of the authority, if present, and shall perform all other duties and functions assigned by the authority or by law. The authority may appoint from among its members a vice-chair to act for the chair during a temporary absence or disability.

Subd. 4. Qualifications. A member shall not, during a term of office, hold any judicial office or office of state government. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6.

Subd. 5. Terms. The initial terms of three members shall end the first Monday of January 2010. Two of the members must be appointed by the Anoka County Board, and one of the members must be appointed by the Blaine city council. The terms of the other members and the chair shall end the first Monday in January 2012. Subsequent terms of each member and chair shall be four years. The term shall continue until a successor is appointed and qualified. Members may be removed only for cause.

Subd. 6. Vacancies. Vacancies shall be filled by the appropriate appointing authority in the same manner in which the original appointment was made.

Subd. 7. Compensation. Each authority member shall be paid $50 for each day when the member attends one or more meetings or provides other services, as authorized by the authority, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties. The chair of the authority shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the authority and shall be reimbursed for reasonable expenses to the same extent as a member. The annual budget shall provide as a separate account anticipated expenditures for per diem, travel, and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

Subd. 8. Regular and special meetings. Meetings of the authority are subject to chapter 13D. The authority shall meet regularly at least once each month, at a time and place as the authority shall by resolution designate. Special meetings may be held at any time upon the call of the chair or a majority of the members, upon written notice to each member at least three days prior to the meeting, or upon other notice that the authority provides by resolution. Unless otherwise provided, any action of the authority may be taken by affirmative vote of a majority of the members. A majority of all the members of the authority constitutes a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Subd. 9. Executive director. The authority shall appoint an executive director who shall be chosen on the basis of training, experience, and other related qualifications. The executive director shall serve at the pleasure of the authority, but shall not vote, and shall have the following powers and duties:

(1) see that all resolutions, rules, or orders of the authority are enforced;
(2) appoint and remove all subordinate officers and regular employees of the authority;

(3) present to the authority plans, studies, or reports prepared for authority purposes and recommend to the authority for adoption the measures the executive director deems necessary to enforce or carry out the powers and duties of the authority, or to the efficient administration of the affairs of the authority;

(4) keep the authority fully advised as to its financial condition, and prepare and submit to the authority its annual budget and other financial information it requests;

(5) recommend to the authority for adoption the rules the executive director deems necessary for the efficient operation of the authority's functions; and

(6) perform other duties prescribed by the authority.

Subd. 10. **Employees.** The authority shall adopt a personnel code covering its employees. The code shall include a job classification plan, procedures for employment of personnel, procedures for discipline and discharge, procedures for hearing grievances, procedures for compensation administration, and other matters adopted by the authority. Employees of the authority are members of the Public Employees Retirement Association.

Subd. 11. **Public officials.** Members of the authority and the executive director are "public officials" for purposes of chapter 10A.

Sec. 7. **[473J.05] POWERS OF AUTHORITY.**

Subdivision 1. **General.** The authority has all powers necessary or convenient to accomplish the purposes of this chapter, including, but not limited to, those specified in this section.

Subd. 2. **Actions.** The authority may sue and be sued and is a public body within the meaning of chapter 562.

Subd. 3. **Acquisition of property.** The authority may acquire by lease, purchase, monetary or land contribution, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by this chapter.

Subd. 4. **Tax exemption.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the authority for any of the purposes of this chapter is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state. The 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 the improvement. No possible use of any of the properties in any manner different from their use under this chapter at the time shall be considered in determining the special benefit received by the properties. Notwithstanding section 272.01, subdivision 2, or 273.19, property leased by the authority to another person for uses related to the purposes of this chapter is exempt from taxation regardless of the length of the lease. This exemption includes concessions, suites, locker rooms, and clubhouse facilities in the stadium and parking facilities on the stadium site, as well as space occupied by the authority. It does not include team offices, residential, business, or commercial development, or parking facilities primarily for these uses, or other property not directly related to the operation of a stadium facility.

Subd. 5. **Liquor licenses.** The city of Blaine may issue one or more intoxicating liquor licenses for the stadium. These licenses are in addition to the number authorized by law. All provisions of chapter 340A not inconsistent with this subdivision apply to the licenses authorized under this subdivision.
Subd. 6. Facility operation. The authority may equip, improve, operate, manage, maintain, and control the sports facilities constructed, remodeled, or acquired under this chapter. The authority may delegate any of these duties to a qualified third party. The authority must seek to promote and maximize the use of the sports facilities for nonfootball events.

Subd. 7. Disposition of property. The authority may sell, lease, or otherwise dispose of any real or personal property acquired by it, which is no longer required for accomplishment of its purposes. The property must be sold according to section 469.065, except subdivisions 6 and 7.

Subd. 8. Gifts and grants. The authority may accept donations of money, property, or services; may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes; may enter into any agreement required in connection therewith; and may hold, use, and dispose of the donations according to the terms of the gifts, grant, loan, or agreement. In evaluating proposed monetary contributions, grants, loans, and agreements required in connection therewith, the authority shall examine the possible short-range and long-range impact on authority revenues and authority operating expenditures. The authority must notify potential contributors that contributions qualify for the charitable contribution deductions under section 170 of the Internal Revenue Code, provided that the contributor does not receive substantial direct benefit from the contribution.

Subd. 9. Issuance of bonds. The authority may authorize the sale and issuance of bonds in the manner and for the purposes set out in section 473J.06.

Subd. 10. Research. The authority may conduct research studies and programs; collect and analyze data; prepare reports, maps, charts, and tables; and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. Use agreements. The authority may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial, or other entertainment, instruction, or activity for citizens of the state of Minnesota and visitors. Any use agreement may provide that the other contracting party has exclusive use of the premises at the times agreed upon, including exclusive use and control for the term of its agreement by the Minnesota Vikings.

Subd. 12. Insurance. The authority may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it considers necessary against liability of the authority or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 13. Creating a condominium. The authority may, by itself or together with any other entity, as to real or personal property comprising or appurtenant or ancillary to the stadium constructed and operated under this chapter or other law, act as a declarant and establish a condominium or leasehold condominium under chapter 515A, or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements, and similar benefits and burdens that the authority may consider necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner, or otherwise, insofar as practical and consistent with applicable law. The authority may be a member of an association and the chair, any commissioners, and any officers and employees of the authority may serve on the board of an association under chapter 515A or 515B or other law.
Subd. 14. Procurement. (a) The authority and the Minnesota Vikings shall jointly select a construction manager. With respect to the construction of the stadium, the construction manager must:

(1) guarantee a maximum cost of construction; and

(2) provide payment and performance bonds or other security reasonably acceptable to the authority in an amount equal to the guaranteed maximum cost of construction, and shall comply with section 471.345 and all employment requirements applicable to city, metropolitan agency, and state contracts for construction, including prevailing wages as defined in section 177.42, affirmative action, and outreach.

(b) The lessee under the stadium lease described in section 473J.08, subdivision 2, or the construction manager may enter into contracts with contractors for labor, materials, supplies, and equipment to equip and construct the new stadium through the process of public bidding.

(c) The lessee or the construction manager may:

(1) limit the list of eligible bidders to those that the construction manager determines possess sufficient expertise to perform the intended functions;

(2) award contracts to the contractors that the construction manager determines provide the best value, which need not be the lowest responsible bidder; and

(3) for work the construction manager determines to be critical to the completion schedule, award contracts on the basis of competitive proposals or perform work with its own forces without soliciting competitive bids if the construction manager provides evidence of competitive pricing.

Subd. 15. Audit. The authority is subject to audit by the state auditor.

Sec. 8. [473J.06] ISSUANCE OF BONDS.

Subdivision 1. Bonds. (a) The authority may by resolution, by a vote of a majority of its members, authorize the sale and issuance of its bonds for any or all of the following purposes:

(1) to provide funds and pay costs to predesign, design, construct, furnish, equip, and otherwise improve or better the sports facilities owned or to be owned by the authority pursuant to this act, including construction of a retractable or fixed roof, and to finance acquisition of right-of-way and construction and reconstruction of Interstate Highway 35W and other trunk highways in Anoka County to improve access to the stadium;

(2) to establish a reserve fund or funds for the bonds and to pay costs of issuance of the bonds;

(3) to refund bonds issued under this section; and

(4) to fund judgments entered by any court against the authority in matters relating to the authority's functions related to the sports facilities.

(b) The county may by resolution by a vote of a majority of its members authorize the sale and issuance of its bonds for the costs of constructing and equipping the stadium.

Subd. 2. Procedure. The bonds shall be sold, issued, and secured on the terms and conditions the authority or the county, as applicable, determines to be in the best interests of the authority or county and residents therein, except as otherwise provided in this chapter. The bonds must be limited obligations, payable solely from or secured
by taxes levied and any other revenues to become available under this act. The bonds may be issued in one or more series and sold without an election. The bonds shall be sold in the manner provided by section 475.60. The bonds shall be secured; bear the interest rate or rates or a variable rate; have the rank or priority; be executed in the manner; be payable in the manner; mature; and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in Minnesota Statutes, chapter 475. The bonds shall recite that they are issued under this act and the recital shall be conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for their payment.

Subd. 3. Limitations. (a) The principal amount of the bonds issued under subdivision 1 shall not exceed the amounts authorized in this subdivision. The principal amount of bonds issued by the authority under subdivision 1, paragraph (a), clauses (1) and (2), shall be limited to $230,000,000 plus the amounts necessary to fund appropriate reserves and pay issuance costs.

(b) The principal amount of the bonds issued by the county under subdivision 1, paragraph (b), shall be limited to $280,000,000, plus the amounts necessary to fund appropriate reserves and pay issuance costs.

(c) The authority and the county shall issue the bonds, and construction of the stadium may commence when the authority has made the following determinations:

(1) the authority has executed a long-term use agreement with the Minnesota Vikings, meeting the requirements of section 473J.08;

(2) the authority has executed a development and financing agreement with Anoka County, the city of Blaine, and the Minnesota Vikings meeting the requirements of section 473J.07;

(3) the proceeds of bonds authorized and provided for in this subdivision will be sufficient, together with other capital funds that may be available to the authority for expenditure on the sports facilities, including, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (4) and (5);

(4) the authority has acquired title to or an interest in all real property, including all easements, air rights, and other appurtenances needed for the construction and operation of the sports facility or has received a grant of funds or has entered into agreements sufficient in the judgment of the authority to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the authority's acquisition of title or interest in and possession of the real property is conditioned;

(5) the authority has received a grant of funds or entered into agreements sufficient in the judgment of the authority to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of the sports facilities, railroad tracks, and other structures, including, without limitation, all relocation costs, all utility relocation costs, and all legal costs;

(6) the authority has executed agreements to prevent strikes that would halt, delay, or impede construction of the sports facilities;

(7) the authority has executed agreements that will provide for the construction of the sports facilities for a certified or guaranteed construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified or guaranteed price to cover any costs that may be incurred over and above the certified price, including, but not limited to, costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date;
the anticipated revenue from the operation of the sports facilities plus any additional available revenue of the
authority will be an amount sufficient to pay when due all debt service on the bonds issued under subdivision 1,
paragraph (a), plus all administration, operating, and maintenance expense of the sports facilities:

(9) the authority has determined that all public and private funding sources for construction and operation of the
sports facilities are officially committed in writing and enforceable. The committed funds must be adequate to site,
design, construct, furnish, equip, and service the sports facilities debt, as well as to pay for the ongoing operation
and maintenance of the stadium:

(10) the authority shall ensure that a guaranty is in place in a form satisfactory to the authority. The guaranty
may be in the form of a letter of credit, minimum net worth requirements, personal guaranties, or other surety
covering the payments on terms determined by the authority's negotiations with the Minnesota Vikings; and

(11) the validity of any bonds issued under subdivision 1, paragraph (a), clauses (1) and (2), or (b), and the
obligation of the authority or the county related to them, shall not be conditioned upon or impaired by the authority's
determinations made under this subdivision. For purposes of issuing the bonds, the determinations made by the
authority shall be deemed conclusive and the authority shall be and remain obligated for the security and payment of
the bonds issued under subdivision 1, paragraph (a), irrespective of determinations that may be erroneous,
inaccurate, or otherwise mistaken.

Subd. 4. Security. To the extent and in the manner provided in this chapter, the taxes described in this chapter,
the tax and other revenues of the authority described in this act, and any other revenues of the authority attributable
to the sports facilities, including teams' and Anoka County contributions, shall be and remain pledged and
appropriated to the authority as appropriate for the payment of all necessary and reasonable expenses of the
operation, administration, maintenance of the sports facilities, and debt service of the bonds until all bonds or
certificates of indebtedness issued pursuant to this chapter are fully paid or discharged in accordance with law.
Bonds issued pursuant to this chapter may be secured by a bond resolution, or by a trust indenture entered into by
the authority or county, as applicable, with a corporate trustee within or outside the state, which shall define the tax
and team contributions, and other sports facilities revenues pledged for the payment and security of the bonds. The
pledge shall be a valid charge on the tax and all other revenues referred to in this chapter from the date when bonds
are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest
and redemption premiums when due and the maintenance at all times of a reserve or reserves securing payments.
No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or
the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable
by the authority or county shall be hereunder, as against the claims of all other persons in tort, contract, or otherwise,
irrespective of whether the parties have notice of the claims, and without possession or filing as provided in the
Uniform Commercial Code or any other law. In the bond resolution or trust indenture, the authority or county may
make covenants, which shall be binding upon the authority or county, that are determined to be usual and reasonably
necessary for the protection of the bondholders. No pledge shall be revoked or amended by law or by action of the
authority or county except according to the terms of the bond resolution or indenture under which the bonds are
issued, until the obligations of the authority are fully discharged.

Subd. 5. No full faith and credit. Any bonds or other obligations issued by the authority or county under this
act are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged for
their payment or of any payments that the state agrees to make under this act.

Subd. 6. Taxability of interest on bonds. The bonds authorized by this act may be issued whether or not the
interest to be paid on them is gross income for federal tax purposes, provided that the authority and the county must
make an effort to arrange the financing for the project in a manner that would allow the interest to be tax exempt to
the greatest extent possible.
Sec. 9. [473J.07] DEVELOPMENT AND FINANCING AGREEMENT.

Subdivision 1. Agreement required. Prior to the issuance of bonds under section 473J.06, the authority shall negotiate and enter into an agreement with Anoka County, the city of Blaine, and the Minnesota Vikings concerning the terms and conditions under which the parties will make contributions of funds, future revenues, interests in property for the site and public infrastructure, the method of completing design and construction, which may include the design-build process, the integration of the stadium and related infrastructure with surrounding development, and other matters relating to the stadium, its operation, maintenance, and financing. This agreement shall, at a minimum, meet the requirements of this section.

Subd. 2. **Total public investment towards stadium project costs.** The total public investment, including Anoka County’s revenue contributions and revenues collected by the authority in the stadium district defined in section 473J.02, subdivision 2, shall not exceed 59 percent of the stadium project costs. As used in this section, "stadium project costs" includes the costs of the following:

1. Acquisition of land needed for the stadium structure and related parking and infrastructure;
2. Design and construction of the stadium and related infrastructure;
3. Finished space and fixtures, furniture, and equipment within the stadium project for the Minnesota Vikings, concessions, suites, and the administrative offices of the authority;
4. Land, design, construction, fixtures, furniture, and equipment for the Minnesota Vikings' indoor practice facility and exhibition hall; and
5. Professional and administrative services necessary for issuance of bonds and related costs and for creating the authority.

The extent of the expenditures under this section is subject to the agreement of Anoka County and the Minnesota Vikings. Expenditures for finishing and equipping the space within the stadium for the Minnesota Vikings is subject to a per-square-foot maximum agreed to by the county and the team.

Subd. 3. **Team contribution.** The team must contribute no less than $280,000,000 to the sports facility costs. Team contributions may include, but are not limited to, contribution of land, initial cash contributions, guaranteed annual payments, and assignments of naming rights and permanent seat licenses, but does not include payments of operating and maintenance expenses for the stadium, which must be made by the team. In addition to any other team contribution, the team must assume and pay when due all cost overruns for the stadium.

Sec. 10. [473J.08] USE AGREEMENT.

Subdivision 1. Requirement. Prior to the issuance of bonds under section 473J.06, the authority must have entered into an agreement with the Minnesota Vikings and the National Football League meeting the requirements of this section.

Subd. 2. **Agreement with Minnesota Vikings.** The authority shall enter into a use agreement with the Minnesota Vikings that, at a minimum, provides for the following:

1. The Minnesota Vikings will use the stadium for all scheduled home preseason, regular season, and postseason games that the team is entitled to play at home for a term of not less than 30 years;
2. The agreement must include terms for default, termination, and breach of agreement; and
3. The agreement must require specific performance and must not include escape clauses or buyout provisions.
Subd. 3. **Agreement with National Football League.** The authority shall enter into an agreement with the National Football League guaranteeing the continuance of the Minnesota Vikings in the metropolitan area for the period of the agreements referred to in subdivision 2, clause (1).

Subd. 4. **Public share upon sale of team.** The lease or use agreement must provide that, if the team is sold other than to the county, after the effective date of this act and before the bonds are defeased, a portion of the sale price must be paid to the county and used to defease the bonds issued under this act. The portion required to be so paid to the county is 18 percent of the gross sale price. Any portion remaining after the defease of the bonds must be paid to the authority and deposited in a reserve fund for improvements to the stadium or expended as otherwise directed by the authority.

Sec. 11. **[473J.09] ANOKA COUNTY REVENUE SOURCES; ADDITIONAL SPENDING AUTHORITY.**

Subdivision 1. **General.** Anoka County may utilize the following revenue sources to make contributions to its share of the total stadium project costs.

Subd. 2. **Taxing authority.** To provide local government revenues to finance the stadium under this act, including payment of debt service on obligations issued under section 473J.06, subdivision 1, paragraph (b), Anoka County may:

1. impose a tax on restaurants, places of amusement, alcoholic beverages, or prepared food, or a tax on lodging, or any of them; or
2. impose a general sales and use tax on sales subject to taxation under chapter 297A, within its jurisdiction of not more than 0.75 percent.

The tax imposed under clause (2) must terminate 30 days after the stadium authority determines that sufficient revenues have been received from this tax and other sources to retire or redeem the bonds issued under section 473J.06, subdivision 1, paragraph (b).

The taxes may be imposed notwithstanding section 477A.016. The requirements of section 297A.99, subdivisions 2 and 3, do not apply to any tax imposed under this subdivision.

Subd. 3. **Excess revenues.** In any year in which the revenues raised by the taxes imposed under this section exceed the amount necessary for payment of debt service on obligations issued under section 473J.06, subdivision 1, the excess shall be used to redeem or defease bonds issued by the county under section 473J.06, subdivision 1. Upon the redemption or defeasance of the bonds, the taxes under this subdivision shall terminate and not be reimposed.

Sec. 12. **[473J.10] STADIUM TAX INCREMENT COMPUTATION.**

(a) For any year during which National Football League games are played in the stadium constructed under this act, the commissioner of revenue shall, by March 1 of the following year, certify the amount of stadium taxes collected in the previous calendar year and the amount by which those taxes are in excess of a baseline tax amount. The amount of stadium taxes that are certified by the commissioner as being in excess of the baseline tax amount must be deposited in a debt service account in the state treasury and is appropriated each year to the authority to pay the principal and interest on revenue bonds issued under section 473J.06, subdivision 1, paragraph (a), for the stadium.
(b) The stadium taxes are the taxes collected at the stadium district as described in this paragraph. Each year, stadium taxes equal the sum of (1) the withholding taxes due in a calendar year pursuant to section 290.92 by the Minnesota Vikings, (2) the sales tax on ticket sales for admission to professional football-related events at the stadium and sales tax remitted by vendors and concessionaires for sales at professional football-related events occurring at the stadium in a calendar year, and (3) the state general tax imposed under section 275.025, within the stadium district. The baseline tax amount is the amount of stadium taxes as determined in this paragraph for professional football games or related events held in the Metrodome in 2004. The sales tax for football-related events occurring at the stadium must be reported in the manner prescribed by the commissioner of revenue.

(c) The capture of tax increments under this section terminates upon a determination by the authority that sufficient revenues have been raised from all sources authorized under this act to retire or redeem the bonds issued under section 473J.06, subdivision 1, paragraph (a).

Sec. 13. [473J.11] ENVIRONMENTAL REQUIREMENTS.

The authority must ensure that environmental requirements imposed by appropriate regulatory agencies for the sports facilities are complied with.

Sec. 14. REPEALER.

Minnesota Statutes 2004, section 473.5995, is repealed.

Delete the title and insert:

"A bill for an act relating to stadiums; providing for the financing of a football stadium in Anoka County; creating a stadium authority; authorizing the county to levy and collect certain taxes; creating a Metrodome proceeds account; requiring a report; amending Minnesota Statutes 2004, section 297A.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473; proposing coding for new law as Minnesota Statutes, chapter 473J; repealing Minnesota Statutes 2004, section 473.5995."

With the recommendation that when so amended the bill be re-referred to the Committee on Local Government without further recommendation.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 2294 was re-referred to the Committee on Rules and Legislative Administration.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2916, A bill for an act relating to public safety; establishing the fire safety account from revenues on fire premiums and assessments; modifying the fire insurance tax; establishing a fire insurance policyholder surcharge; amending Minnesota Statutes 2004, section 2971.30, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 297I; 299F; repealing Minnesota Statutes 2004, section 2971.05, subdivision 6.

Reported the same back with the following amendments:
Delete everything after the enacting clause and insert:

"Section 1. [297L06] SURCHARGES ON FIRE SAFETY PREMIUMS.

Subdivision 1. **Insurance policies surcharge.** (a) Except as otherwise provided in subdivision 2, each insurer engaged in writing policies of homeowner's insurance authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies or commercial nonliability policies shall collect a surcharge equal to 0.65 percent of the gross premiums and assessments, less return premiums, on direct business received by the company, or by its agents for it, for homeowner's insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state.

(b) The surcharge amount collected under paragraph (a) may not be considered premium for any other purpose. The surcharge amount must be separately stated on either a billing or policy declaration sent to an insured.

(c) Amounts collected by the commissioner under this section must be deposited in the fire safety account established pursuant to subdivision 3.

Subd. 2. **Exemptions.** (a) This section does not apply to a farmers' mutual fire insurance company or township mutual fire insurance company in Minnesota organized under chapter 67A.

(b) An insurer described in section 297I.05, subdivisions 3 and 4, authorized to transact business in Minnesota shall elect to remit to the Department of Revenue for deposit in the fire safety account either (1) the surcharge amount collected under this section, or (2) a surcharge of one-half of one percent on the gross fire premiums and assessments, less return premiums, on all direct business received by the insurer or agents of the insurer in Minnesota, in cash or otherwise, during the year.

(c) For purposes of this subdivision, "gross fire premiums and assessments" includes premiums on policies covering fire risks only on automobiles, whether written or under floater form or otherwise.

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. $468,000 in fiscal year 2008 and $2,268,000 in each year thereafter is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums. The general fund base appropriation for the fire marshal program is reduced by $2,832,000 in fiscal year 2008 and each year thereafter. The base funding for the fire marshal program from the fire safety account in the special revenue fund shall be $2,832,000 in fiscal year 2008 and each year thereafter.

Sec. 2. Minnesota Statutes 2004, section 297I.30, is amended by adding a subdivision to read:

Subd. 8. **Fire insurance surcharge.** On or before May 15, August 15, November 15, and February 15 of each year, every insurer required to pay the surcharge under section 297I.06, subdivisions 1 and 2, shall file a return with the commissioner for the preceding three-month period ending March 31, June 30, September 30, and December 31, setting forth any information the commissioner reasonably requires on forms prescribed by the commissioner.

Sec. 3. [299F.012] FIRE SAFETY ACCOUNT.

Subdivision 1. **Authorized programs within department.** From the revenues appropriated from the fire safety account, established under section 297I.06, subdivision 3, the commissioner of public safety may expend funds for the activities and programs identified by the advisory committee established under subdivision 2 and recommended to the commissioner of public safety. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. These funds are to be used to provide resources needed for identified activities and programs of the Minnesota fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled.
Subd. 2. **Fire Service Advisory Committee.** The Fire Service Advisory Committee shall provide recommendations to the commissioner of public safety on fire service related issues and shall consist of representatives of each of the following organizations: two appointed by the president of the Minnesota State Fire Chiefs Association, two appointed by the president of the Minnesota State Fire Department Association, two appointed by the president of the Minnesota Professional Fire Fighters, two appointed by the president of the League of Minnesota Cities, one appointed by the president of the Minnesota Association of Townships, one appointed by the president of the Insurance Federation of Minnesota, one appointed jointly by the presidents of the Minnesota Chapter of the International Association of Arson Investigators and the Fire Marshals Association of Minnesota, and the commissioner of public safety or the commissioner’s designee. The commissioner of public safety must ensure that at least three of the members of the advisory committee work and reside in counties outside of the seven-county metropolitan area. The committee shall provide funding recommendations to the commissioner of public safety from the fire safety fund for the following purposes:

(1) for the Minnesota Board of Firefighter Training and Education;

(2) for programs and staffing for the State Fire Marshal Division; and

(3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact.

Subd. 3. **Report; accounting; carryover.** The commissioner of public safety shall, by December 1 of each year, (1) provide an accounting of how the funds in the fire safety account were spent in the preceding fiscal year and (2) report any funds not spent in a fiscal year to the chairs of the committees of the house of representatives and the senate having jurisdiction over public safety finance. Money in the account does not cancel but remains available for expenditures for the programs identified in subdivisions 1 and 2.

Sec. 4. **REPEALER.**

Minnesota Statutes 2004, section 297I.05, subdivision 6, is repealed.

Sec. 5. **EFFECTIVE DATE; APPLICATION.**

Sections 1 to 4 are effective July 1, 2007, and apply to policies written or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; establishing the fire safety account from revenues on fire premiums and assessments; abolishing the fire insurance tax; amending Minnesota Statutes 2004, section 297I.30, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 297I; 299F; repealing Minnesota Statutes 2004, section 297I.05, subdivision 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2972, A bill for an act relating to natural resources; modifying and renaming the Legislative Commission on Minnesota Resources; adding citizens and making structural changes; appropriating money; amending Minnesota Statutes 2004, sections 116P.02, subdivision 4; 116P.03; 116P.04, subdivision 5; 116P.05, as
amended; 116P.07; 116P.08, subdivisions 3, 4, 5, 6; 116P.09, subdivisions 1, 6, by adding a subdivision; 116P.11;
Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35; repealing Minnesota Statutes 2004, sections
116P.02, subdivision 2; 116P.06; Laws 2005, First Special Session chapter 1, article 2, section 156, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house,
revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or
House Research;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in
section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission
that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested
cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter
14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in
the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the
Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;
Sec. 2. Minnesota Statutes 2004, section 116P.02, subdivision 4, is amended to read:

Subd. 4. **Commission.** "Commission" means the Legislative Legislative-Citizen Commission on Minnesota Resources.

Sec. 3. Minnesota Statutes 2004, section 116P.03, is amended to read:

116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING; APPROPRIATIONS.

(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 116P.08, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 116P.09, subdivision 7.

(c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of the environment and natural resources trust fund that is available for appropriation under the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by a law passed by the legislature and signed by the governor.

(d) The amount appropriated from the environment and natural resources trust fund may be spent only for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Recommendations made by the commission under this chapter must be consistent with the Minnesota Constitution, article XI, section 14; this chapter; and the strategic plan adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the state's environment and natural resources.

Sec. 4. Minnesota Statutes 2004, section 116P.04, subdivision 5, is amended to read:

Subd. 5. **Audits required.** The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan for which the money was appropriated.

Sec. 5. Minnesota Statutes 2004, section 116P.05, as amended by Laws 2005, First Special Session chapter 1, article 2, section 135, is amended to read:

116P.05 LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.

Subdivision 1. **Membership.** (a) A Legislative Legislative-Citizen Commission on Minnesota Resources of 20 members is created in the legislative branch, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, the chairs of the house Ways and Means and Senate Finance Committees or designees appointed for the terms of the chairs, seven four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and seven four members of the house appointed by the speaker.
At least three members from the senate and three members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

Seven citizens are members of the commission, five appointed by the governor, one appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The governor’s appointees must be confirmed with the advice and consent of the senate. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state’s air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state’s environment and natural resource issues around the state; and

(3) have demonstrated ability to work in a collaborative environment.

(b) Members shall develop procedures to elect a chair that rotates between legislative and citizen members. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Appointed legislative members shall serve on the commission until their successors are appointed for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Citizen and legislative members continue to serve until their successors are appointed.

(d) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraph (a).

(e) Citizen members shall be initially appointed according to the following schedule of terms:

(1) two members appointed by the governor for a term ending the first Monday in January 2010;

(2) one member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2010 and one member appointed by the speaker of the house for a term ending the first Monday in January 2010;

(3) two members appointed by the governor for a term ending the first Monday in January 2009; and

(4) one member appointed by the governor for a term ending the first Monday in January 2008.

(f) Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.

Subd. 1a. Citizen selection committee. The governor shall appoint a trust fund citizen selection committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues.

The duties of the trust fund citizen selection committee shall be to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;
(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor, the senate, and the house of representatives.

Members are entitled to travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6.

Subd. 2. Duties. (a) The commission shall recommend a budget plan an annual legislative bill for expenditures appropriations from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended legislative bill requires an affirmative vote of at least 12 members of the commission.

(b) The commission shall recommend expenditures to the legislature from the state land and water conservation account in the natural resources fund.

(c) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under chapter 116P.

(f) As part of the operating procedures, the commission shall:

(1) ensure that members’ expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.
102ND DAY] MONDAY, MAY 8, 2006 7473

Subd. 3. **Sunset.** This section expires June 30, 2016, unless extended by the legislature.

Sec. 6. Minnesota Statutes 2004, section 116P.07, is amended to read:

**116P.07 INFORMATION GATHERING.**

The commission may convene public forums or employ other methods to gather information for establishing priorities for funding.

Sec. 7. Minnesota Statutes 2004, section 116P.08, subdivision 3, is amended to read:

Subd. 3. **Strategic plan required.** (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be updated reviewed every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives Ways and Means and senate Finance Committees by January 1 of each odd numbered year. The strategic plan must have clearly stated short- and long-term goals and strategies for trust fund expenditures, must provide measurable outcomes for expenditures, and must determine areas of emphasis for funding.

(b) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption shall consider the long-term strategic plans of agencies with environment and natural resource programs and responsibilities and plans of conservation and environmental organizations during the development and review of the strategic plan.

Sec. 8. Minnesota Statutes 2004, section 116P.08, subdivision 4, is amended to read:

Subd. 4. **Budget plan Legislative recommendations.** (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation.

(c) The commission must adopt a budget plan recommend an annual legislative bill to make expenditures appropriations from the trust fund for the purposes provided in subdivision 1. The budget plan recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all available funding sources for projects.

(d) The commission may recommend the establishment of an annual emerging issues account in its annual legislative bill for funding emerging issues, which come up unexpectedly, but which still adhere to the commission's strategic plan, to be approved by the governor after initiation and recommendation by the commission.

(d) (e) Money in the trust fund may not be spent except under an appropriation by law.
Sec. 9. Minnesota Statutes 2004, section 116P.08, subdivision 5, is amended to read:

Subd. 5. Public meetings. All technical advisory committee and commission meetings must be open to the public. The commission shall attempt to meet at least once in each of the state's congressional districts throughout various regions of the state during each biennium.

Sec. 10. Minnesota Statutes 2004, section 116P.08, subdivision 6, is amended to read:

Subd. 6. Peer review. (a) Research proposals must include a stated purpose directly connected to the trust fund's constitutional mandate, this chapter, and the adopted strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any; and

(3) report to the commission and advisory committee on clauses (1) and (2).

(c) The peer review panel also must review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Sec. 11. Minnesota Statutes 2004, section 116P.09, subdivision 1, is amended to read:

Subdivision 1. Administrative authority. The commission may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and advisory committee and an agency must promptly furnish it.

Sec. 12. Minnesota Statutes 2004, section 116P.09, subdivision 6, is amended to read:

Subd. 6. Conflict of interest. A commission member, a technical advisory committee member, a peer review panelist, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review panel relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the legislative commission, technical advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Sec. 13. Minnesota Statutes 2004, section 116P.09, is amended by adding a subdivision to read:

Subd. 8. Technical advisory committees. The commission shall make use of available public and private expertise on environment and natural resource issues by appointing necessary technical advisory committees to review funding proposals and evaluate project outcomes. Compensation for technical advisory committee members is governed by section 15.059, subdivision 6.
Sec. 14. Minnesota Statutes 2004, section 116P.11, is amended to read:

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount biennially annually available from the trust fund for the budget plan legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

(b) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 15. CONTINUITY.

(a) The Legislative Commission on Minnesota Resources shall continue to operate until the full membership of the Legislative-Citizen Commission on Minnesota Resources is appointed under section 5, but no later than August 15, 2006.

(b) The staff of the Legislative Commission on Minnesota Resources shall provide administrative and professional services to the Legislative-Citizen Commission on Minnesota Resources, as provided in Minnesota Statutes, section 15.039, subdivision 7.

Sec. 16. TRANSITION PROVISIONS FOR LEGISLATIVE MEMBERS.

Legislative members initially appointed to the Legislative-Citizen Commission on Minnesota Resources serve through January 2, 2007, or for those who are still legislators in January 2007, until their successors are appointed.

Sec. 17. Appropriation.

(a) $100,000 in fiscal year 2006 and $450,000 in fiscal year 2007 are appropriated from the environment and natural resources trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration, as provided in Minnesota Statutes, section 116P.09, subdivision 5. The appropriation in fiscal year 2006 is available for the second year of the biennium.

(b) The fiscal year 2006 administrative budget under this section and Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 3, is for the Legislative Commission on Minnesota Resources or its successor commission, as provided in Minnesota Statutes, section 15.039, subdivision 6.

(c) Administrative expenses saved through the elimination of the citizens advisory committee may be used for administration of the Legislative Commission on Minnesota Resources or its successor commission.

Sec. 18. REVISOR'S INSTRUCTION.

The revisor of statutes shall change the term "Legislative Commission on Minnesota Resources" to "Legislative-Citizen Commission on Minnesota Resources" wherever it appears in Minnesota Statutes and Minnesota Rules.

Sec. 19. REPEALER.

Minnesota Statutes 2004, sections 116P.02, subdivision 2; and 116P.06; and Laws 2005, First Special Session chapter 1, article 2, section 156, subdivision 2, are repealed.
Sec. 20. **EFFECTIVE DATE.**

Sections 1 to 4; 5, subdivisions 1, 2, and 3; and 6 to 19 are effective June 1, 2006. Section 5, subdivision 1a, is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3144, A bill for an act relating to health; establishing requirements for assisted living services; limiting use of the term assisted living; specifying procedures for terminating services for assisted living clients; modifying the home care bill of rights for purposes of assisted living; establishing the Class F home care provider category; eliminating the Class E assisted living programs license; requiring the provision of information on assisted living and the legal rights of assisted living clients: amending Minnesota Statutes 2004, sections 144A.4605; 144D.01, by adding a subdivision; 144D.015; 144D.02; 144D.03, subdivision 2; 144D.04; 144D.05; 144D.065; proposing coding for new law in Minnesota Statutes, chapters 144A; 144D; proposing coding for new law as Minnesota Statutes, chapter 144G; repealing Minnesota Rules, part 4668.0125.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ASSISTED LIVING

Section 1. [144A.441] ASSISTED LIVING BILL OF RIGHTS ADDENDUM.

Assisted living clients, as defined in section 144G.01, subdivision 3, shall be provided with the home care bill of rights required by section 144A.44, except that the home care bill of rights provided to these clients must include the following provision in place of the provision in section 144A.44, subdivision 1, clause (16):

"(16) the right to reasonable, advance notice of changes in services or charges, including at least 30 days’ advance notice of the termination of a service by a provider, except in cases where:

(i) the recipient of services engages in conduct that alters the conditions of employment as specified in the employment contract between the home care provider and the individual providing home care services, or creates an abusive or unsafe work environment for the individual providing home care services;

(ii) an emergency for the informal caregiver or a significant change in the recipient’s condition has resulted in service needs that exceed the current service provider agreement and that cannot be safely met by the home care provider; or

(iii) the provider has not received payment for services, for which at least ten days’ advance notice of the termination of a service shall be provided."

**EFFECTIVE DATE.** This section is effective January 1, 2007.
Sec. 2. [144A.442] TERMINATION OF HOME CARE SERVICES FOR ASSISTED LIVING CLIENTS.

If an arranged home care provider, as defined in section 144D.01, subdivision 2a, who is not also Medicare certified terminates a service agreement or service plan with an assisted living client, as defined in section 144G.01, subdivision 3, the home care provider shall provide the assisted living client and the legal or designated representatives of the client, if any, with a written notice of termination which includes the following information:

1. the effective date of termination;

2. the reason for termination;

3. without extending the termination notice period, an affirmative offer to meet with the assisted living client or client representatives within no more than five business days of the date of the termination notice to discuss the termination;

4. contact information for a reasonable number of other home care providers in the geographic area of the assisted living client, as required by Minnesota Rules, part 4668.0050;

5. a statement that the provider will participate in a coordinated transfer of the care of the client to another provider or caregiver, as required by section 144A.44, subdivision 1, clause (17);

6. the name and contact information of a representative of the home care provider with whom the client may discuss the notice of termination;

7. a copy of the home care bill of rights; and

8. a statement that the notice of termination of home care services by the home care provider does not constitute notice of termination of the housing with services contract with a housing with services establishment.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 3. Minnesota Statutes 2004, section 144A.4605, is amended to read:

144A.4605 ASSISTED LIVING HOME CARE CLASS F PROVIDER.

Subdivision 1. Definitions. For purposes of this section, the term "assisted living class F home care provider" means a home care provider who provides nursing services, delegated nursing services, other services performed by unlicensed personnel, or central storage of medications solely for residents of one or more housing with services establishments registered under chapter 144D.

Subd. 2. Assisted living Class F home care license established. A home care provider license category entitled assisted living class F home care provider is hereby established. A home care provider may obtain an assisted living class F license if the program meets the following requirements:

(a) nursing services, delegated nursing services, other services performed by unlicensed personnel, or central storage of medications under the assisted living class F license are provided solely for residents of one or more housing with services establishments registered under chapter 144D;
(b) unlicensed personnel perform home health aide and home care aide tasks identified in Minnesota Rules, parts 4668.0100, subparts 1 and 2, and 4668.0110, subpart 1. Qualifications to perform these tasks shall be established in accordance with subdivision 3;

(c) periodic supervision of unlicensed personnel is provided as required by rule;

(d) notwithstanding Minnesota Rules, part 4668.0160, subpart 6, item D, client records shall include:

(1) daily records or a weekly summary of home care services provided;

(2) documentation each time medications are administered to a client; and

(3) documentation on the day of occurrence of any significant change in the client's status or any significant incident, such as a fall or refusal to take medications.

All entries must be signed by the staff providing the services and entered into the record no later than two weeks after the end of the service day, except as specified in clauses (2) and (3);

(e) medication and treatment orders, if any, are included in the client record and are renewed at least every 12 months, or more frequently when indicated by a clinical assessment;

(f) the central storage of medications in a housing with services establishment registered under chapter 144D is managed under a system that is established by a registered nurse and addresses the control of medications, handling of medications, medication containers, medication records, and disposition of medications; and

(g) in other respects meets the requirements established by rules adopted under sections 144A.45 to 144A.47.

Subd. 3. **Training or competency evaluations required.** (a) Unlicensed personnel must:

(1) satisfy the training or competency requirements established by rule under sections 144A.45 to 144A.47; or

(2) be trained or determined competent by a registered nurse in each task identified under Minnesota Rules, part 4668.0100, subparts 1 and 2, when offered to clients in a housing with services establishment as described in paragraphs (b) to (e).

(b) Training for tasks identified under Minnesota Rules, part 4668.0100, subparts 1 and 2, shall use a curriculum which meets the requirements in Minnesota Rules, part 4668.0130.

(c) Competency evaluations for tasks identified under Minnesota Rules, part 4668.0100, subparts 1 and 2, must be completed and documented by a registered nurse.

(d) Unlicensed personnel performing tasks identified under Minnesota Rules, part 4668.0100, subparts 1 and 2, shall be trained or demonstrate competency in the following topics:

(1) an overview of sections 144A.43 to 144A.47 and rules adopted thereunder;

(2) recognition and handling of emergencies and use of emergency services;

(3) reporting the maltreatment of vulnerable minors or adults under sections 626.556 and 626.557;

(4) home care bill of rights;
(5) handling of clients' complaints and reporting of complaints to the Office of Health Facility Complaints;

(6) services of the ombudsman for older Minnesotans;

(7) observation, reporting, and documentation of client status and of the care or services provided;

(8) basic infection control;

(9) maintenance of a clean, safe, and healthy environment;

(10) communication skills;

(11) basic elements of body functioning and changes in body function that must be reported to an appropriate health care professional; and

(12) physical, emotional, and developmental needs of clients, and ways to work with clients who have problems in these areas, including respect for the client, the client's property, and the client's family.

(e) Unlicensed personnel who administer medications must comply with rules relating to the administration of medications in Minnesota Rules, part 4668.0100, subpart 2, except that unlicensed personnel need not comply with the requirements of Minnesota Rules, part 4668.0100, subpart 5.

Subd. 4. **License required.** (a) A housing with services establishment registered under chapter 144D that is required to obtain a home care license must obtain an assisted living class F home care license according to this section or a class A or class B license according to rule. A housing with services establishment that obtains a class B license under this subdivision remains subject to the payment limitations in sections 256B.0913, subdivision 5f, paragraph (b), and 256B.0915, subdivision 3d.

(b) A board and lodging establishment registered for special services as of December 31, 1996, and also registered as a housing with services establishment under chapter 144D, must deliver home care services according to sections 144A.43 to 144A.47, and may apply for a waiver from requirements under Minnesota Rules, parts 4668.0002 to 4668.0240, to operate a licensed agency under the standards of section 157.17. Such waivers as may be granted by the department will expire upon promulgation of home care rules implementing section 144A.4605.

(c) An adult foster care provider licensed by the Department of Human Services and registered under chapter 144D may continue to provide health-related services under its foster care license until the promulgation of home care rules implementing this section.

(d) An assisted living (c) A class F home care provider licensed under this section must comply with the disclosure provisions of section 325F.72 to the extent they are applicable.

Subd. 5. **License fees.** The license fees for assisted living class F 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 class F 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

(4) $625 annually for those providers serving a monthly average of 51 or more clients.
Subd. 6. **Waiver.** Upon request of the home care provider, the commissioner may waive the provisions of this section relating to registered nurse duties.

**EFFECTIVE DATE.** This section is effective January 1, 2007.

Sec. 4. Minnesota Statutes 2004, section 144D.01, is amended by adding a subdivision to read:

Subd. 2a. **Arranged home care provider.** "Arranged home care provider" means a home care provider licensed under Minnesota Rules, chapter 4668, that provides services to some or all of the residents of a housing with services establishment and that is either the establishment itself or another entity with which the establishment has an arrangement.

**EFFECTIVE DATE.** This section is effective January 1, 2007.

Sec. 5. Minnesota Statutes 2004, section 144D.015, is amended to read:

144D.015 ASSISTED LIVING FACILITY OR ASSISTED LIVING RESIDENCE DEFINITION FOR PURPOSES OF LONG-TERM CARE INSURANCE.

For purposes of consistency with terminology commonly used in long-term care insurance policies and notwithstanding chapter 144G, a housing with services establishment that is registered under section 144D.03 and that holds, or contracts with an individual or entity that holds, any type of home care license and all other licenses, permits, registrations, or other governmental approvals legally required for delivery of the services the establishment offers or provides to its residents, constitutes an "assisted living facility" or "assisted living residence."

**EFFECTIVE DATE.** This section is effective January 1, 2007.

Sec. 6. Minnesota Statutes 2004, section 144D.02, is amended to read:

144D.02 REGISTRATION REQUIRED.

No entity may establish, operate, conduct, or maintain a housing with services establishment in this state without registering and operating as required in sections 144D.01 to 144D.06.

**EFFECTIVE DATE.** This section is effective January 1, 2007.

Sec. 7. Minnesota Statutes 2004, section 144D.03, is amended by adding a subdivision to read:

Subd. 1a. **Surcharge for injunctive relief actions.** The commissioner shall assess each housing with services establishment that offers or provides assisted living under chapter 144G a surcharge on the annual registration fee paid under subdivision 1, to pay for the commissioner's costs related to bringing actions for injunctive relief under section 144G.02, subdivision 2, paragraph (b), on or after July 1, 2007. The commissioner shall assess surcharges using a sliding scale under which the surcharge amount increases with the client capacity of an establishment. The commissioner shall adjust the surcharge as necessary to recover the projected costs of bringing actions for injunctive relief. The commissioner shall adjust the surcharge in accordance with section 16A.1285.

**EFFECTIVE DATE.** This section is effective for annual registrations submitted on or after July 1, 2007.
Sec. 8. Minnesota Statutes 2004, section 144D.03, subdivision 2, is amended to read:

Subd. 2. Registration information. The establishment shall provide the following information to the commissioner in order to be registered:

(1) the business name, street address, and mailing address of the establishment;

(2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners are not natural persons, identification of the type of business entity of the owner or owners, and the names and addresses of the officers and members of the governing body, or comparable persons for partnerships, limited liability corporations, or other types of business organizations of the owner or owners;

(3) the name and mailing address of the managing agent, whether through management agreement or lease agreement, of the establishment, if different from the owner or owners, and the name of the on-site manager, if any;

(4) verification that the establishment has entered into an elderly housing with services contract, as required in section 144D.04, with each resident or resident's representative;

(5) verification that the establishment is complying with the requirements of section 325F.72, if applicable;

(6) the name and address of at least one natural person who shall be responsible for dealing with the commissioner on all matters provided for in sections 144D.01 to 144D.06, and on whom personal service of all notices and orders shall be made, and who shall be authorized to accept service on behalf of the owner or owners and the managing agent, if any; and

(7) the signature of the authorized representative of the owner or owners or, if the owner or owners are not natural persons, signatures of at least two authorized representatives of each owner, one of which shall be an officer of the owner.

Personal service on the person identified under clause (6) by the owner or owners in the registration shall be considered service on the owner or owners, and it shall not be a defense to any action that personal service was not made on each individual or entity. The designation of one or more individuals under this subdivision shall not affect the legal responsibility of the owner or owners under sections 144D.01 to 144D.06.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 9. Minnesota Statutes 2004, section 144D.04, is amended to read:

144D.04 ELDERLY HOUSING WITH SERVICES CONTRACTS.

Subdivision 1. Contract required. No elderly housing with services establishment may operate in this state unless a written elderly housing with services contract, as defined in subdivision 2, is executed between the establishment and each resident or resident's representative and unless the establishment operates in accordance with the terms of the contract. The resident or the resident's representative shall be given a complete copy of the contract and all supporting documents and attachments and any changes whenever changes are made.

Subd. 2. Contents of contract. An elderly housing with services contract, which need not be entitled as such to comply with this section, shall include at least the following elements in itself or through supporting documents or attachments:

(1) the name, street address, and mailing address of the establishment;
(2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners is not a natural person, identification of the type of business entity of the owner or owners;

(3) the name and mailing address of the managing agent, through management agreement or lease agreement, of the establishment, if different from the owner or owners;

(4) the name and address of at least one natural person who is authorized to accept service of process on behalf of the owner or owners and managing agent;

(5) a statement describing the registration and licensure status of the establishment and any provider providing health-related or supportive services under an arrangement with the establishment;

(6) the term of the contract;

(7) a description of the services to be provided to the resident in the base rate to be paid by resident;

(8) a description of any additional services, including home care services, available for an additional fee from the establishment directly or through arrangements with the establishment, and a schedule of fees charged for these services;

(9) fee schedules outlining the cost of any additional services;

(10) a description of the process through which the contract may be modified, amended, or terminated;

(11) a description of the establishment's complaint resolution process available to residents including the toll-free complaint line for the Office of Ombudsman for Older Minnesotans;

(12) the resident's designated representative, if any;

(13) the establishment's referral procedures if the contract is terminated;

(14) criteria requirements of residency used by the establishment to determine who may reside or continue to reside in the elderly housing with services establishment;

(15) billing and payment procedures and requirements;

(16) a statement regarding the ability of residents to receive services from service providers with whom the establishment does not have an arrangement; and

(17) a statement regarding the availability of and contact information for long-term care consultation services under section 256B.0911 in the county in which the establishment is located.

Subd. 3. Contracts in permanent files. Elderly Housing with services contracts and related documents executed by each resident or resident's representative shall be maintained by the establishment in files from the date of execution until three years after the contract is terminated. The contracts and the written disclosures required under section 325F.72, if applicable, shall be made available for on-site inspection by the commissioner upon request at any time.

EFFECTIVE DATE. This section is effective January 1, 2007.
Sec. 10. [144D.045] INFORMATION CONCERNING ARRANGED HOME CARE PROVIDERS.

If a housing with services establishment has one or more arranged home care providers, the establishment shall arrange to have that arranged home care provider deliver the following information in writing to a prospective resident, prior to the date on which the prospective resident executes a contract with the establishment or the prospective resident’s move-in date, whichever is earlier:

1. the name, mailing address, and telephone number of the arranged home care provider;
2. the name and mailing address of at least one natural person who is authorized to accept service of process on behalf of the entity described in clause (1);
3. a description of the process through which a home care service agreement or service plan between a resident and the arranged home care provider, if any, may be modified, amended, or terminated;
4. the arranged home care provider's billing and payment procedures and requirements; and
5. any limits to the services available from the arranged provider.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 11. Minnesota Statutes 2004, section 144D.05, is amended to read:

144D.05 AUTHORITY OF COMMISSIONER.

The commissioner shall, upon receipt of information which may indicate the failure of the elderly housing with services establishment, a resident, a resident's representative, or a service provider to comply with a legal requirement to which one or more of them may be subject, make appropriate referrals to other governmental agencies and entities having jurisdiction over the subject matter. The commissioner may also make referrals to any public or private agency the commissioner considers available for appropriate assistance to those involved.

The commissioner shall have standing to bring an action for injunctive relief in the district court in the district in which an establishment is located to compel the elderly housing with services establishment to meet the requirements of this chapter or other requirements of the state or of any county or local governmental unit to which the establishment is otherwise subject. Proceedings for securing an injunction may be brought by the commissioner through the attorney general or through the appropriate county attorney. The sanctions in this section do not restrict the availability of other sanctions.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 12. Minnesota Statutes 2004, section 144D.065, is amended to read:

144D.065 ESTABLISHMENTS THAT SERVE PERSONS WITH ALZHEIMER'S DISEASE OR RELATED DISORDERS.

(a) If a housing with services establishment registered under this chapter markets or otherwise promotes services for persons with Alzheimer's disease or related disorders, whether in a segregated or general unit, the facility's establishment's direct care staff and their supervisors must be trained in dementia care.
(b) Areas of required training include:

(1) an explanation of Alzheimer's disease and related disorders;

(2) assistance with activities of daily living;

(3) problem solving with challenging behaviors; and

(4) communication skills.

(c) The establishment shall provide to consumers in written or electronic form a description of the training program, the categories of employees trained, the frequency of training, and the basic topics covered. This information satisfies the disclosure requirements of section 325F.72, subdivision 2, clause (4).

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 13. [144G.01] DEFINITIONS.

Subdivision 1. Scope; other definitions. For purposes of sections 144G.01 to 144G.05, the following definitions apply. In addition, the definitions provided in section 144D.01 also apply to sections 144G.01 to 144G.05.

Subd. 2. Assisted living. "Assisted living" means a service or package of services advertised, marketed, or otherwise described, offered, or promoted using the phrase "assisted living" either alone or in combination with other words, whether orally or in writing, and which is subject to the requirements of this chapter.

Subd. 3. Assisted living client. "Assisted living client" or "client" means a housing with services resident who receives assisted living that is subject to the requirements of this chapter.

Subd. 4. Commissioner. "Commissioner" means the commissioner of health.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 14. [144G.02] ASSISTED LIVING; PROTECTED TITLE; RESTRICTION ON USE; REGULATORY FUNCTIONS.

Subdivision 1. Protected title; restriction on use. No person or entity may use the phrase "assisted living," whether alone or in combination with other words and whether orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity is a housing with services establishment that meets the requirements of this chapter, or is a person or entity that provides some or all components of assisted living that meet the requirements of this chapter. A person or entity entitled to use the phrase "assisted living" shall use the phrase only in the context of its participation in assisted living that meets the requirements of this chapter. A housing with services establishment offering or providing assisted living that is not made available to residents in all of its housing units shall identify the number or location of the units in which assisted living is available, and may not use the term "assisted living" in the name of the establishment registered with the commissioner under chapter 144D, or in the name the establishment uses to identify itself to residents or the public.

Subd. 2. Authority of commissioner. (a) The commissioner, upon receipt of information that may indicate the failure of a housing with services establishment, the arranged home care provider, an assisted living client, or an assisted living client's representative to comply with a legal requirement to which one or more of the entities may be
subject, shall make appropriate referrals to other governmental agencies and entities having jurisdiction over the subject matter. The commissioner may also make referrals to any public or private agency the commissioner considers available for appropriate assistance to those involved.

(b) In addition to the authority with respect to licensed home care providers under sections 144A.45 and 144A.46 and with respect to housing with services establishments under chapter 144D, the commissioner shall have standing to bring an action for injunctive relief in the district court in the district in which a housing with services establishment is located to compel the housing with services establishment or the arranged home care provider to meet the requirements of this chapter or other requirements of the state or of any county or local governmental unit to which the establishment or arranged home care provider is otherwise subject. Proceedings for securing an injunction may be brought by the commissioner through the attorney general or through the appropriate county attorney. The sanctions in this section do not restrict the availability of other sanctions.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 15. [144G.03] ASSISTED LIVING REQUIREMENTS.

Subdivision 1. Verification in annual registration. A registered housing with services establishment using the phrase "assisted living," pursuant to section 144G.02, subdivision 1, shall verify to the commissioner in its annual registration pursuant to chapter 144D that the establishment is complying with sections 144G.01 to 144G.05, as applicable.

Subd. 2. Minimum requirements for assisted living. (a) Assisted living shall be provided or made available only to individuals residing in a registered housing with services establishment. Except as expressly stated in this chapter, a person or entity offering assisted living may define the available services and may offer assisted living to all or some of the residents of a housing with services establishment. The services that comprise assisted living may be provided or made available directly by a housing with services establishment or by persons or entities with which the housing with services establishment has made arrangements.

(b) A person or entity entitled to use the phrase "assisted living," according to section 144G.02, subdivision 1, shall do so only with respect to a housing with services establishment, or a service, service package, or program available within a housing with services establishment that, at a minimum:

(1) provides or makes available health-related services under a class A or class F home care license. At a minimum, health-related services must include:

(i) assistance with self-administration of medication as defined in Minnesota Rules, part 4668.0003, subpart 2a, or medication administration as defined in Minnesota Rules, part 4668.0003, subpart 21a; and

(ii) assistance with at least three of the following seven activities of daily living: bathing, dressing, grooming, eating, transferring, continence care, and toileting.

All health-related services shall be provided in a manner that complies with applicable home care licensure requirements in chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter 4668;

(2) provides necessary assessments of the physical and cognitive needs of assisted living clients by a registered nurse, as required by applicable home care licensure requirements in chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter 4668;

(3) has and maintains a system for delegation of health care activities to unlicensed assistive health care personnel by a registered nurse, including supervision and evaluation of the delegated activities as required by applicable home care licensure requirements in chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter 4668;
(4) provides staff access to an on-call registered nurse 24 hours per day, seven days per week;

(5) has and maintains a system to check on each assisted living client at least daily;

(6) provides a means for assisted living clients to request assistance for health and safety needs 24 hours per day, seven days per week, from the establishment or a person or entity with which the establishment has made arrangements;

(7) has a person or persons available 24 hours per day, seven days per week, who is responsible for responding to the requests of assisted living clients for assistance with health or safety needs, who shall be:

(i) awake;

(ii) located in the same building, in an attached building, or on a contiguous campus with the housing with services establishment in order to respond within a reasonable amount of time;

(iii) capable of communicating with assisted living clients;

(iv) capable of recognizing the need for assistance;

(v) capable of providing either the assistance required or summoning the appropriate assistance; and

(vi) capable of following directions;

(8) offers to provide or make available at least the following supportive services to assisted living clients:

(i) two meals per day;

(ii) weekly housekeeping;

(iii) weekly laundry service;

(iv) upon the request of the client, reasonable assistance with arranging for transportation to medical and social services appointments, and the name of or other identifying information about the person or persons responsible for providing this assistance;

(v) upon the request of the client, reasonable assistance with accessing community resources and social services available in the community, and the name of or other identifying information about the person or persons responsible for providing this assistance; and

(vi) periodic opportunities for socialization; and

(9) makes available to all prospective and current assisted living clients information consistent with the uniform format and the required components adopted by the commissioner under section 144G.06. This information must be made available beginning no later than six months after the commissioner makes the uniform format and required components available to providers according to section 144G.06.

Subd. 3. Exemption from awake-staff requirement. (a) A housing with services establishment that offers or provides assisted living is exempt from the requirement in subdivision 2, paragraph (b), clause (7), item (i), that the person or persons available and responsible for responding to requests for assistance must be awake, if the establishment meets the following requirements:
(1) the establishment has a maximum capacity to serve 12 or fewer assisted living clients;

(2) the person or persons available and responsible for responding to requests for assistance are physically present within the housing with services establishment in which the assisted living clients reside;

(3) the establishment has a system in place that is compatible with the health, safety, and welfare of the establishment's assisted living clients;

(4) the establishment's housing with services contract, as required by section 144D.04, includes a statement disclosing the establishment's qualification for, and intention to rely upon, this exemption;

(5) the establishment files with the commissioner, for purposes of public information but not review or approval by the commissioner, a statement describing how the establishment meets the conditions in clauses (1) to (4), and makes a copy of this statement available to actual and prospective assisted living clients; and

(6) the establishment indicates on its housing with services registration, under section 144D.02 or 144D.03, as applicable, that it qualifies for and intends to rely upon the exemption under this subdivision.

Subd. 4. Nursing assessment. (a) A housing with services establishment offering or providing assisted living shall:

(1) offer to have the arranged home care provider conduct a nursing assessment by a registered nurse of the physical and cognitive needs of the prospective resident and propose a service agreement or service plan prior to the date on which a prospective resident executes a contract with a housing with services establishment or the date on which a prospective resident moves in, whichever is earlier; and

(2) inform the prospective resident of the availability of and contact information for long-term care consultation services under section 256B.0911, prior to the date on which a prospective resident executes a contract with a housing with services establishment or the date on which a prospective resident moves in, whichever is earlier.

(b) An arranged home care provider is not obligated to conduct a nursing assessment by a registered nurse when requested by a prospective resident if either the geographic distance between the prospective resident and the provider, or urgent or unexpected circumstances, do not permit the assessment to be conducted prior to the date on which the prospective resident executes a contract or moves in, whichever is earlier. When such circumstances occur, the arranged home care provider shall offer to conduct a telephone conference whenever reasonably possible.

(c) The arranged home care provider shall comply with applicable home care licensure requirements in chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter 4668, with respect to the provision of a nursing assessment prior to the delivery of nursing services and the execution of a home care service plan or service agreement.

Subd. 5. Assistance with arranged home care provider. The housing with services establishment shall provide each assisted living client with identifying information about a person or persons reasonably available to assist the client with concerns the client may have with respect to the services provided by the arranged home care provider. The establishment shall keep each assisted living client reasonably informed of any changes in the personnel referenced in this subdivision. Upon request of the assisted living client, such personnel or designee shall provide reasonable assistance to the assisted living client in addressing concerns regarding services provided by the arranged home care provider.
Subd. 6. **Termination of housing with services contract.** If a housing with services establishment terminates a housing with services contract with an assisted living client, the establishment shall provide the assisted living client, and the legal or designated representative of the assisted living client, if any, with a written notice of termination which includes the following information:

1. the effective date of termination;
2. the section of the contract that authorizes the termination;
3. without extending the termination notice period, an affirmative offer to meet with the assisted living client and, if applicable, client representatives, within no more than five business days of the date of the termination notice to discuss the termination;
4. an explanation that:
   i. the assisted living client must vacate the apartment, along with all personal possessions, on or before the effective date of termination;
   ii. failure to vacate the apartment by the date of termination may result in the filing of an eviction action in court by the establishment, and that the assisted living client may present a defense, if any, to the court at that time; and
   iii. the assisted living client may seek legal counsel in connection with the notice of termination;
5. a statement that, with respect to the notice of termination, reasonable accommodation is available for the disability of the assisted living client, if any; and
6. the name and contact information of the representative of the establishment with whom the assisted living client or client representatives may discuss the notice of termination.

**EFFECTIVE DATE.** This section is effective January 1, 2007.

Sec. 16. **[144G.04] RESERVATION OF RIGHTS.**

Subdivision 1. **Use of services.** Nothing in this chapter requires an assisted living client to utilize any service provided or made available in assisted living.

Subd. 2. **Housing with services contracts.** Nothing in this chapter requires a housing with services establishment to execute or refrain from terminating a housing with services contract with a prospective or current resident who is unable or unwilling to meet the requirements of residency, with or without assistance.

Subd. 3. **Provision of services.** Nothing in this chapter requires the arranged home care provider to offer or continue to provide services under a service agreement or service plan to a prospective or current resident of the establishment whose needs cannot be met by the arranged home care provider.

Subd. 4. **Altering operations; service packages.** Nothing in this chapter requires a housing with services establishment or arranged home care provider offering assisted living to fundamentally alter the nature of the operations of the establishment or the provider in order to accommodate the request or need for facilities or services by any assisted living client, or to refrain from requiring, as a condition of residency, that an assisted living client pay for a package of assisted living services even if the client does not choose to utilize all or some of the services in the package.

**EFFECTIVE DATE.** This section is effective January 1, 2007.
Sec. 17. [144G.05] REIMBURSEMENT UNDER ASSISTED LIVING SERVICE PACKAGES.

Notwithstanding the provisions of this chapter, the requirements for the Elderly Waiver program's assisted living payment rates under section 256B.0915, subdivision 3e, shall continue to be effective and providers who do not meet the requirements of this chapter may continue to receive payment under section 256B.0915, subdivision 3e, as long as they continue to meet the definitions and standards for assisted living and assisted living plus set forth in the federally approved Elderly Home and Community Based Services Waiver Program (Control Number 0025.91). Providers of assisted living for the Community Alternatives for Disabled Individuals (CADI) and Traumatic Brain Injury (TBI) waivers shall continue to receive payment as long as they continue to meet the definitions and standards for assisted living and assisted living plus set forth in the federally approved CADI and TBI waiver plans.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 18. [144G.06] UNIFORM CONSUMER INFORMATION GUIDE.

(a) The commissioner of health shall establish an advisory committee consisting of representatives of consumers, providers, county and state officials, and other groups the commissioner considers appropriate. The advisory committee shall present recommendations to the commissioner on:

(1) a format for a guide to be used by individual providers of assisted living, as defined in section 144G.01, that includes information about services offered by that provider, service costs, and other relevant provider-specific information, as well as a statement of philosophy and values associated with assisted living, presented in uniform categories that facilitate comparison with guides issued by other providers; and

(2) requirements for informing assisted living clients, as defined in section 144G.01, of their applicable legal rights.

(b) The commissioner, after reviewing the recommendations of the advisory committee, shall adopt a uniform format for the guide to be used by individual providers, and the required components of materials to be used by providers to inform assisted living clients of their legal rights, and shall make the uniform format and the required components available to assisted living providers.

Sec. 19. REVISOR'S INSTRUCTION.

(a) The revisor of statutes shall strike all references to the "Class E assisted living home care programs license," "Class E license," and similar terms in Minnesota Rules, chapters 4668 and 4669. In sections affected by this instruction, the revisor may make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

(b) The revisor of statutes shall change the term "assisted living home care provider," "assisted living license," and similar terms to "Class F home care provider," "Class F license," and similar terms to "Class F home care provider," "Class F license," and similar terms, in Minnesota Rules, chapter 4668. In sections affected by this instruction, the revisor may make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

EFFECTIVE DATE. This section is effective January 1, 2007.
Sec. 20. **APPROPRIATION; ASSISTED LIVING.**

(a) $140,000 is appropriated from the state government special revenue fund to the commissioner of health for the biennium ending June 30, 2007, for costs related to bringing actions for injunctive relief under Minnesota Statutes, section 144G.02, subdivision 2, paragraph (b).

(b) The state government special revenue base is increased by $140,000 in fiscal year 2008 and $140,000 in fiscal year 2009.

Sec. 21. **REPEALER.**

Minnesota Rules, part 4668.0215, is repealed effective January 1, 2007.

**ARTICLE 2**

**LONG-TERM CARE**

Section 1. Minnesota Statutes 2004, section 144.0724, subdivision 3, is amended to read:

Subd. 3. **Resident reimbursement classifications.** (a) Resident reimbursement classifications shall be based on the minimum data set, version 2.0 assessment instrument, or its successor version mandated by the Centers for Medicare and Medicaid Services that nursing facilities are required to complete for all residents. The commissioner of health shall establish resident classes according to the 34 group, resource utilization groups, version III or RUG-III model. Resident classes must be established based on the individual items on the minimum data set and must be completed according to the facility manual for case mix classification issued by the Minnesota Department of Health. The facility manual for case mix classification shall be drafted by the Minnesota Department of Health and presented to the chairs of health and human services legislative committees by December 31, 2001.

(b) Each resident must be classified based on the information from the minimum data set according to general domains in clauses (1) to (7):

1. extensive services where a resident requires intravenous feeding or medications, suctioning, or tracheostomy care, or is on a ventilator or respirator;
2. rehabilitation where a resident requires physical, occupational, or speech therapy;
3. special care where a resident has cerebral palsy; quadriplegia; multiple sclerosis; pressure ulcers; ulcers; fever with vomiting, weight loss, pneumonia, or dehydration; surgical wounds with treatment; or tube feeding and aphasia; or is receiving radiation therapy;
4. clinically complex status where a resident has tube feeding, burns, coma, septicemia, pneumonia, internal bleeding, chemotherapy, dialysis, oxygen, transfusions, foot infections or lesions with treatment, hemiplegia/hemiparesis, physician visits or order changes, or diabetes with injections and order changes;
5. impaired cognition where a resident has poor cognitive performance;
6. behavior problems where a resident exhibits wandering or socially inappropriate or disruptive behavior, has hallucinations or delusions, is physically or verbally abusive toward others, or resists care, unless the resident’s other condition would place the resident in other categories; and
(7) reduced physical functioning where a resident has no special clinical conditions.

(c) The commissioner of health shall establish resident classification according to a 34 group model based on the information on the minimum data set and within the general domains listed in paragraph (b), clauses (1) to (7). Detailed descriptions of each resource utilization group shall be defined in the facility manual for case mix classification issued by the Minnesota Department of Health. The 34 groups are described as follows:

(1) SE3: requires four or five extensive services;
(2) SE2: requires two or three extensive services;
(3) SE1: requires one extensive service;
(4) RAD: requires rehabilitation services and is dependent in activity of daily living (ADL) at a count of 17 or 18;
(5) RAC: requires rehabilitation services and ADL count is 14 to 16;
(6) RAB: requires rehabilitation services and ADL count is ten to 13;
(7) RAA: requires rehabilitation services and ADL count is four to nine;
(8) SSC: requires special care and ADL count is 17 or 18;
(9) SSB: requires special care and ADL count is 15 or 16;
(10) SSA: requires special care and ADL count is seven to 14;
(11) CC2: clinically complex with depression and ADL count is 17 or 18;
(12) CC1: clinically complex with no depression and ADL count is 17 or 18;
(13) CB2: clinically complex with depression and ADL count is 12 to 16;
(14) CB1: clinically complex with no depression and ADL count is 12 to 16;
(15) CA2: clinically complex with depression and ADL count is four to 11;
(16) CA1: clinically complex with no depression and ADL count is four to 11;
(17) IB2: impaired cognition with nursing rehabilitation and ADL count is six to ten;
(18) IB1: impaired cognition with no nursing rehabilitation and ADL count is six to ten;
(19) IA2: impaired cognition with nursing rehabilitation and ADL count is four or five;
(20) IA1: impaired cognition with no nursing rehabilitation and ADL count is four or five;
(21) BB2: behavior problems with nursing rehabilitation and ADL count is six to ten;
(22) BB1: behavior problems with no nursing rehabilitation and ADL count is six to ten;
(23) BA2: behavior problems with nursing rehabilitation and ADL count is four to five;
(24) BA1: behavior problems with no nursing rehabilitation and ADL count is four to five;
(25) PE2: reduced physical functioning with nursing rehabilitation and ADL count is 16 to 18;
(26) PE1: reduced physical functioning with no nursing rehabilitation and ADL count is 16 to 18;
(27) PD2: reduced physical functioning with nursing rehabilitation and ADL count is 11 to 15;
(28) PD1: reduced physical functioning with no nursing rehabilitation and ADL count is 11 to 15;
(29) PC2: reduced physical functioning with nursing rehabilitation and ADL count is nine or ten;
(30) PC1: reduced physical functioning with no nursing rehabilitation and ADL count is nine or ten;
(31) PB2: reduced physical functioning with nursing rehabilitation and ADL count is six to eight;
(32) PB1: reduced physical functioning with no nursing rehabilitation and ADL count is six to eight;
(33) PA2: reduced physical functioning with nursing rehabilitation and ADL count is four or five; and
(34) PA1: reduced physical functioning with no nursing rehabilitation and ADL count is four or five.

Sec. 2. Minnesota Statutes 2004, section 144.0724, subdivision 4, is amended to read:

Subd. 4. Resident assessment schedule. (a) A facility must conduct and electronically submit to the commissioner of health case mix assessments that conform with the assessment schedule defined by Code of Federal Regulations, title 42, section 483.20, and published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, in the Long Term Care Assessment Instrument User’s Manual, version 2.0, October 1995, and subsequent clarifications made in the Long-Term Care Assessment Instrument Questions and Answers, version 2.0, August 1996. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments used to determine a case mix classification for reimbursement include the following:

1. a new admission assessment must be completed by day 14 following admission;
2. an annual assessment must be completed within 366 days of the last comprehensive assessment;
3. a significant change assessment must be completed within 14 days of the identification of a significant change; and
4. the second quarterly assessment following either a new admission assessment, an annual assessment, or a significant change assessment, and all quarterly assessments beginning October 1, 2006. Each quarterly assessment must be completed within 92 days of the previous assessment.
Sec. 3. Minnesota Statutes 2005 Supplement, section 144A.071, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For purposes of sections 144A.071 to 144A.073, the following terms have the meanings given them:

(a) "Attached fixtures" has the meaning given in Minnesota Rules, part 9549.0020, subpart 6.

(b) "Buildings" has the meaning given in Minnesota Rules, part 9549.0020, subpart 7.

(c) "Capital assets" has the meaning given in section 256B.421, subdivision 16.

(d) "Commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were applied for.

(e) "Completion date" means the date on which a certificate of occupancy clearance for the construction project is issued for a construction project, or if a certificate of occupancy clearance for the construction project is not required, the date on which the construction project is assets are available for facility use.

(f) "Construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules.

(g) "Construction project" means:

(1) a capital asset addition to, or replacement of a nursing home or certified boarding care home that results in new space or the remodeling of or renovations to existing facility space; and

(2) the remodeling or renovation of existing facility space the use of which is modified as a result of the project described in clause (1). This existing space and the project described in clause (1) must be used for the functions as designated on the construction plans on completion of the project described in clause (1) for a period of not less than 24 months.

(h) "Depreciation guidelines" means the most recent publication of "The Estimated Useful Lives of Depreciable Hospital Assets," issued by the American Hospital Association, 840 North Lake Shore Drive, Chicago, Illinois, 60611.

(i) "New licensed" or "new certified beds" means:

(1) newly constructed beds in a facility or the construction of a new facility that would increase the total number of licensed nursing home beds or certified boarding care or nursing home beds in the state; or

(2) newly licensed nursing home beds or newly certified boarding care or nursing home beds that result from remodeling of the facility that involves relocation of beds but does not result in an increase in the total number of beds, except when the project involves the upgrade of boarding care beds to nursing home beds, as defined in section 144A.073, subdivision 1. "Remodeling" includes any of the type of conversion, renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1.
(j) "Project construction costs" means the cost of the following items that have a completion date within 12 months before or after the completion date of the project described in item (g), clause (1):

1. Facility capital asset additions;
2. Replacements;
3. Renovations;
4. Remodeling projects;
5. Construction site preparation costs;
6. Related soft costs; and
7. The cost of new technology implemented as part of the construction project and depreciable equipment directly identified to the project, if the construction costs for clauses (1) to (6) exceed the threshold for additions and replacements stated in section 256B.431, subdivision 16. Technology and depreciable equipment shall be included in the project construction costs unless a written election is made by the facility, to not include it in the facility's appraised value for purposes of Minnesota Rules, part 9549.0020, subpart 5. Debt incurred for purchase of technology and depreciable equipment shall be included as allowable debt for purposes of Minnesota Rules, part 9549.0060, subpart 5, items A and C, unless the written election is to not include it. Any new technology and depreciable equipment included in the project construction costs that the facility elects not to include in its appraised value and allowable debt shall be treated as provided in section 256B.431, subdivision 17, paragraph (b). Written election under this paragraph must be included in the facility's request for the rate change related to the project, and this election may not be changed.

(k) "Technology" means information systems or devices that make documentation, charting, and staff time more efficient or encourage and allow for care through alternative settings including, but not limited to, touch screens, monitors, hand-helds, swipe cards, motion detectors, pagers, telemedicine, medication dispensers, and equipment to monitor vital signs and self-injections, and to observe skin and other conditions.

Sec. 4. Minnesota Statutes 2004, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. Exceptions for replacement beds. It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) To license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) Destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) At the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;
(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed $1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed $1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;
(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of $200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed $1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a $100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.
The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status under section 256B.431, subdivision 2j, shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed $2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;
(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify a total replacement project of up to 129 beds located in Polk County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;

(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis county with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may
contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;

(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256B.437;

(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that section 256B.431, subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;

(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, or section 256B.434 or 256B.435. The provisions of section 256B.431, subdivision 26, paragraphs (a) and (b), do not apply until the second rate year following settle-up; or

(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.

Sec. 5. Minnesota Statutes 2004, section 144A.161, subdivision 1, is amended to read:

Subdivision 1. Definitions. The definitions in this subdivision apply to subdivisions 2 to 10.

(a) "Closure" means the cessation of operations of a facility and the delicensure and decertification of all beds within the facility.
(b) "Curtailment," "reduction," or "change" refers to any change in operations which would result in or encourage the relocation of residents.

(c) "Facility" means a nursing home licensed pursuant to this chapter, or a certified boarding care home licensed pursuant to sections 144.50 to 144.56.

(d) "Licensee" means the owner of the facility or the owner's designee or the commissioner of health for a facility in receivership.

(e) "Local agency," "County social services agency" means the county or multicounty social service agency authorized under sections 393.01 and 393.07, as the agency responsible for providing social services for the county in which the nursing home is located.

(f) "Plan" means a process developed under subdivision 3, paragraph (b), for the closure, curtailment, reduction, or change in operations in a facility and the subsequent relocation of residents.

(g) "Relocation" means the discharge of a resident and movement of the resident to another facility or living arrangement as a result of the closing, curtailment, reduction, or change in operations of a nursing home or boarding care home.

Sec. 6. Minnesota Statutes 2004, section 144A.161, is amended by adding a subdivision to read:

Subd. 1a. **Scope.** Where a facility is undertaking closure, curtailment, reduction, or change in operations, the facility and the county social services agency must comply with the requirements of this section.

Sec. 7. Minnesota Statutes 2004, section 144A.161, subdivision 2, is amended to read:

Subd. 2. **Initial notice from licensee.** (a) A licensee shall notify the following parties in writing when there is an intent to close or curtail, reduce, or change operations which would result in or encourage the relocation of residents:

(1) the commissioner of health;

(2) the commissioner of human services;

(3) the local **county social services** agency;

(4) the Office of the Ombudsman for Older Minnesotans; and

(5) the Office of the Ombudsman for Mental Health and Mental Retardation.

(b) The written notice shall include the names, telephone numbers, facsimile numbers, and e-mail addresses of the persons in the facility responsible for coordinating the licensee's efforts in the planning process, and the number of residents potentially affected by the closure or curtailment, reduction, or change in operations.

(c) After providing written notice under this section, and prior to admission, the facility must fully inform prospective residents and their families of the intent to close or curtail, reduce, or change operations, and the relocation plan.
Sec. 8. Minnesota Statutes 2004, section 144A.161, subdivision 3, is amended to read:

Subd. 3. Planning process. (a) The local county social services agency shall, within five working days of receiving initial notice of the licensee's intent to close or curtail, reduce, or change operations, provide the licensee and all parties identified in subdivision 2, paragraph (a), with the names, telephone numbers, facsimile numbers, and e-mail addresses of those persons responsible for coordinating local county social services agency efforts in the planning process.

(b) Within ten working days of receipt of the notice under paragraph (a), the local county social services agency and licensee shall meet to develop the relocation plan. The local county social services agency shall inform the Departments of Health and Human Services, the Office of the Ombudsman for Older Minnesotans, and the Office of the Ombudsman for Mental Health and Mental Retardation of the date, time, and location of the meeting so that their representatives may attend. The relocation plan must be completed within 45 days of receipt of the initial notice. However, the plan may be finalized on an earlier schedule agreed to by all parties. To the extent practicable, consistent with requirements to protect the safety and health of residents, the commissioner may authorize the planning process under this subdivision to occur concurrent with the 60-day notice required under subdivision 5a. The plan shall:

(1) identify the expected date of closure, curtailment, reduction, or change in operations;

(2) outline the process for public notification of the closure, curtailment, reduction, or change in operations;

(3) identify efforts that will be made to include other stakeholders in the relocation process;

(4) outline the process to ensure 60-day advance written notice to residents, family members, and designated representatives;

(5) present an aggregate description of the resident population remaining to be relocated and the population's needs;

(6) outline the individual resident assessment process to be utilized;

(7) identify an inventory of available relocation options, including home and community-based services;

(8) identify a timeline for submission of the list identified in subdivision 5c, paragraph (b); and

(9) identify a schedule for the timely completion of each element of the plan; and

(10) identify the steps the licensee and the county social services agency will take to address the relocation needs of individual residents who may be difficult to place due to specialized care needs such as behavioral health problems.

(c) All parties to the plan shall refrain from any public notification of the intent to close or curtail, reduce, or change operations until a relocation plan has been established. If the planning process occurs concurrently with the 60-day notice period, this requirement does not apply once 60-day notice is given.

Sec. 9. Minnesota Statutes 2004, section 144A.161, subdivision 4, is amended to read:

Subd. 4. Responsibilities of licensee for resident relocations. The licensee shall provide for the safe, orderly, and appropriate relocation of residents. The licensee and facility staff shall cooperate with representatives from the local county social services agency, the Department of Health, the Department of Human Services, the Office of the Ombudsman for Older Minnesotans, and ombudsman for mental health and mental retardation in planning for and implementing the relocation of residents.
Sec. 10. Minnesota Statutes 2004, section 144A.161, subdivision 5, is amended to read:

Subd. 5. **Licensee responsibilities prior to relocation.** (a) The licensee shall establish an interdisciplinary team responsible for coordinating and implementing the plan. The interdisciplinary team shall include representatives from the local county social services agency, the Office of Ombudsman for Older Minnesotans, facility staff that provide direct care services to the residents, and facility administration.

(b) The licensee shall provide a list summary document to the local county social services agency that includes the following information on each resident to be relocated:

1. name;
2. date of birth;
3. Social Security number;
4. payment source and medical assistance identification number, if applicable;
5. county of financial responsibility;
6. date of admission to the facility;
7. all diagnoses; and
8. the name of and contact information for the resident’s physician;
9. the name and contact information for the resident’s family or other designated representative;
10. the names of and contact information for any case managers, if known; and
11. the information on the resident’s status related to commitment and probation.

(c) The licensee shall consult with the local county social services agency on the availability and development of available resources and on the resident relocation process.

Sec. 11. Minnesota Statutes 2004, section 144A.161, subdivision 5a, is amended to read:

Subd. 5a. **Licensee responsibilities to provide notice.** At least 60 days before the proposed date of closing, curtailment, reduction, or change in operations as agreed to in the plan, the licensee shall send a written notice of closure or curtailment, reduction, or change in operations to each resident being relocated, the resident’s family member or designated representative, and the resident’s attending physician. The notice must include the following:

1. the date of the proposed closure, curtailment, reduction, or change in operations;
2. the name, address, telephone number, facsimile number, and e-mail address of the individual or individuals in the facility responsible for providing assistance and information;
3. notification of upcoming meetings for residents, families and designated representatives, and resident and family councils to discuss the relocation of residents;
4. the name, address, and telephone number of the local county social services agency contact person; and
(5) the name, address, and telephone number of the Office of Ombudsman for Older Minnesotans and the ombudsman for mental health and mental retardation.

The notice must comply with all applicable state and federal requirements for notice of transfer or discharge of nursing home residents.

Sec. 12. Minnesota Statutes 2004, section 144A.161, subdivision 5c, is amended to read:

Subd. 5c. Licensee responsibility regarding placement information. (a) The licensee shall provide sufficient preparation to residents to ensure safe, orderly, and appropriate discharge and relocation. The licensee shall assist residents in finding placements that respond to personal preferences, such as desired geographic location.

(b) The licensee shall prepare a resource list with several relocation options for each resident. The list must contain the following information for each relocation option, when applicable:

(1) the name, address, and telephone and facsimile numbers of each facility with appropriate, available beds or services;

(2) the certification level of the available beds;

(3) the types of services available; and

(4) the name, address, and telephone and facsimile numbers of appropriate available home and community-based placements, services, and settings or other options for individuals with special needs.

The list shall be made available to residents and their families or designated representatives, and upon request to the Office of Ombudsman for Older Minnesotans, the ombudsman for mental health and Mental Retardation, and the local county social services agency.

(c) The Senior LinkAge line may make available via a Web site the name, address, and telephone and facsimile numbers of each facility with available beds, the certification level of the available beds, the types of services available, and the number of beds that are available as updated daily by the listed facilities. The licensee must provide residents, their families or designated representatives, the Office of the Ombudsman for Older Minnesotans, the Office of the Ombudsman for Mental Health and Mental Retardation, and the local county social services agency with the toll-free number and Web site address for the Senior LinkAge line.

Sec. 13. Minnesota Statutes 2004, section 144A.161, subdivision 6, is amended to read:

Subd. 6. Responsibilities of the licensee during relocation. (a) The licensee shall make arrangements or provide for the transportation of residents to the new facility or placement within a 50-mile radius, or within a larger radius if no suitable options are available within 50 miles. The licensee shall provide a staff person to accompany the resident during transportation, upon request of the resident, the resident’s family, or designated representative. The discharge and relocation of residents must comply with all applicable state and federal requirements and must be conducted in a safe, orderly, and appropriate manner. The licensee must ensure that there is no disruption in providing meals, medications, or treatments of a resident during the relocation process.

(b) Beginning the week following development of the initial relocation plan, the licensee shall submit biweekly status reports to the commissioners of health and human services or their designees and to the local county social services agency. The initial status report must identify:

(1) the relocation plan developed;
(2) the interdisciplinary team members; and
(3) the number of residents to be relocated.

(c) Subsequent status reports must identify:
(1) any modifications to the plan;
(2) any change of interdisciplinary team members;
(3) the number of residents relocated;
(4) the destination to which residents have been relocated;
(5) the number of residents remaining to be relocated; and
(6) issues or problems encountered during the process and resolution of these issues.

Sec. 14. Minnesota Statutes 2004, section 144A.161, subdivision 8, is amended to read:

Subd. 8. **Responsibilities of local county social services agency.** (a) The local county social services agency shall participate in the meeting as outlined in subdivision 3, paragraph (b), to develop a relocation plan.

(b) The local county social services agency shall designate a representative to the interdisciplinary team established by the licensee responsible for coordinating the relocation efforts.

(c) The local county social services agency shall serve as a resource in the relocation process.

(d) Concurrent with the notice sent to residents from the licensee as provided in subdivision 5a, the local county social services agency shall provide written notice to residents, family, or designated representatives describing:
(1) the county’s role in the relocation process and in the follow-up to relocations;
(2) a local county social services agency contact name, address, and telephone number; and
(3) the name, address, and telephone number of the Office of Ombudsman for Older Minnesotans and the ombudsman for mental health and mental retardation.

(e) The local county social services agency designee shall meet with appropriate facility staff to coordinate any assistance in the relocation process. This coordination shall include participating in group meetings with residents, families, and designated representatives to explain the relocation process.

(f) The local county social services agency shall monitor compliance with all components of the plan. If the licensee is not in compliance, the local county social services agency shall notify the commissioners of the Departments of Health and Human Services.

(g) Except as requested by the resident, family member, or designated representative and within the parameters of the Vulnerable Adults Act, the local county social services agency may halt a relocation that it deems inappropriate or dangerous to the health or safety of a resident. The local county social services agency shall pursue remedies to protect the resident during the relocation process, including, but not limited to, assisting the resident with filing an appeal of transfer or discharge, notification of all appropriate licensing boards and agencies, and other remedies available to the county under section 626.557, subdivision 10.
(h) A member of the local county social services agency staff shall visit residents relocated within 100 miles of the county within 30 days after the relocation. This requirement does not apply to changes in operation where the facility moved to a new location and residents chose to move to that new location. The requirement also does not apply to residents admitted after the notice of closure and discharged prior to the actual closure. County social services agency staff shall interview the resident and family or designated representative, observe the resident on site, and review and discuss pertinent medical or social records with appropriate facility staff to:

1. assess the adjustment of the resident to the new placement;
2. recommend services or methods to meet any special needs of the resident; and
3. identify residents at risk.

(i) The local county social services agency may conduct subsequent follow-up visits in cases where the adjustment of the resident to the new placement is in question.

(j) Within 60 days of the completion of the follow-up visits, the local county social services agency shall submit a written summary of the follow-up work to the Departments of Health and Human Services in a manner approved by the commissioners.

(k) The local county social services agency shall submit to the Departments of Health and Human Services a report of any issues that may require further review or monitoring.

(l) The local county social services agency shall be responsible for the safe and orderly relocation of residents in cases where an emergent need arises or when the licensee has abrogated its responsibilities under the plan.

Sec. 15. Minnesota Statutes 2005 Supplement, section 256B.0918, subdivision 1, is amended to read:

Subdivision 1. Program criteria. Beginning on or after October 1, 2005, within the limits of appropriations specifically available for this purpose, the commissioner shall provide funding to qualified provider applicants for employee scholarships for education in nursing and other health care fields. Employee scholarships must be for a course of study that is expected to lead to career advancement with the provider or in the field of long-term care, including home care or care of persons with disabilities, or nursing. Providers that secure this funding must use it to award scholarships to employees who work an average of at least 20 hours per week for the provider. Executive management staff without direct care duties, registered nurses, and therapists are not eligible to receive scholarships under this section.

Sec. 16. Minnesota Statutes 2005 Supplement, section 256B.0918, subdivision 3, is amended to read:

Subd. 3. Provider selection criteria. To be considered for scholarship funding, the provider shall submit a completed application within the time frame specified by the commissioner. In awarding funding, the commissioner shall consider the following:

1. the size of the provider as measured in annual billing to the medical assistance program. To be eligible, a provider must receive at least $500,000 annually in medical assistance payments;
2. the percentage of employees meeting the scholarship program recipient requirements;
3. staff retention rates for paraprofessionals; and
4. other criteria determined by the commissioner.
Sec. 17. Minnesota Statutes 2005 Supplement, section 256B.0918, subdivision 4, is amended to read:

Subd. 4. *Funding specifics.* Within the limits of appropriations specifically available for this purpose, for the rate period beginning on or after October 1, 2005, to September 30, 2007, the commissioner shall provide to each provider listed in subdivision 2 and awarded funds under subdivision 3 a medical assistance rate increase to fund scholarships up to three-tenths percent of the medical assistance reimbursement rate. The commissioner shall require providers to repay any portion of funds awarded under subdivision 3 that is not used to fund scholarships. If applications exceed available funding, funding shall be targeted to providers that employ a higher percentage of paraprofessional staff or have lower rates of turnover of paraprofessional staff. During the subsequent years of the program, the rate adjustment may be recalculated, at the discretion of the commissioner. In making a recalculatation the commissioner may consider the provider's success at granting scholarships based on the amount spent during the previous year and the availability of appropriations to continue the program.

Sec. 18. Minnesota Statutes 2005 Supplement, section 256B.434, subdivision 4, is amended to read:

Subd. 4. *Alternate rates for nursing facilities.* (a) For nursing facilities which have their payment rates determined under this section rather than section 256B.431, the commissioner shall establish a rate under this subdivision. The nursing facility must enter into a written contract with the commissioner.

(b) A nursing facility's case mix payment rate for the first rate year of a facility's contract under this section is the payment rate the facility would have received under section 256B.431.

(c) A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment and, for facilities reimbursed under this section or section 256B.431, an adjustment to include the cost of any increase in Health Department licensing fees for the facility taking effect on or after July 1, 2001. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by the commissioner of finance's national economic consultant, as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. For the rate years beginning on July 1, 1999, July 1, 2000, July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, and July 1, 2008, this paragraph shall apply only to the property-related payment rate, except that adjustments to include the cost of any increase in Health Department licensing fees taking effect on or after July 1, 2001, shall be provided. Beginning in 2005, adjustment to the property payment rate under this section and section 256B.431 shall be effective on October 1. In determining the amount of the property-related payment rate adjustment under this paragraph, the commissioner shall determine the proportion of the facility's rates that are property-related based on the facility's most recent cost report. Beginning October 1, 2006, facilities reimbursed under this section shall be allowed to receive a property rate adjustment for building projects under section 144A.071, subdivision 2.

(d) The commissioner shall develop additional incentive-based payments of up to five percent above a facility's operating payment rate for achieving outcomes specified in a contract. The commissioner may solicit contract amendments and implement those which, on a competitive basis, best meet the state's policy objectives. The commissioner shall limit the amount of any incentive payment and the number of contract amendments under this paragraph to operate the incentive payments within funds appropriated for this purpose. The contract amendments may specify various levels of payment for various levels of performance. Incentive payments to facilities under this paragraph may be in the form of time-limited rate adjustments or supplemental payments. In establishing the specified outcomes and related criteria, the commissioner shall consider the following state policy objectives:

(1) successful diversion or discharge of residents to the residents' prior home or other community-based alternatives;
(2) adoption of new technology to improve quality or efficiency;

(3) improved quality as measured in the Nursing Home Report Card;

(4) reduced acute care costs; and

(5) any additional outcomes proposed by a nursing facility that the commissioner finds desirable.

Sec. 19. Minnesota Statutes 2004, section 256B.434, is amended by adding a subdivision to read:

Subd. 4f. **Construction project rate adjustments effective October 1, 2006.** (a) Effective October 1, 2006, facilities reimbursed under this section may receive a property rate adjustment for construction projects exceeding the threshold in section 256B.431, subdivision 16, and under the threshold in section 144A.071, subdivision 2, clause (a). For these projects, capital assets purchased shall be counted as construction project costs for a rate adjustment request made by a facility if they are: (1) purchased within 24 months of the completion date of the construction project; (2) purchased after the completion date of any prior construction project; and (3) are not purchased prior to July 14, 2005. Except as otherwise provided in this subdivision, the definitions, rate calculation methods, and principles in sections 144A.071 and 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, shall be used to calculate rate adjustments for allowable construction projects under this subdivision and section 144A.073. Facilities completing construction projects between October 1, 2005, and October 1, 2006, are eligible to have a property rate adjustment effective October 1, 2006. Facilities completing projects after October 1, 2006, are eligible for a property rate adjustment effective on the first day of the month following the completion date.

(b) Notwithstanding subdivision 18, as of July 14, 2005, facilities with rates set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, that commenced a construction project on or after October 1, 2004, and do not have a contract under subdivision 3 by September 30, 2006, are eligible to request a rate adjustment under section 256B.431, subdivision 10, through September 30, 2006. If the request results in the commissioner determining a rate adjustment is allowable, the rate adjustment is effective on the first of the month following project completion. These facilities shall be allowed to accumulate construction project costs for the period October 1, 2004, to September 30, 2006.

(c) Facilities shall be allowed construction project rate adjustments no sooner than 12 months after completing a previous construction project. Facilities must request the rate adjustment according to section 256B.431, subdivision 10.

(d) Capacity days shall be computed according to Minnesota Rules, part 9549.0060, subpart 11. For rate calculations under this section, the number of licensed beds in the nursing facility shall be the number existing after the construction project is completed and the number of days in the nursing facility's reporting period shall be 365.

(e) The value of assets to be recognized for a total replacement project as defined in section 256B.431, subdivision 17d, shall be computed as described in clause (1). The value of assets to be recognized for all other projects shall be computed as described in clause (2):

(1) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation. If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be used in the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit under section 144A.071, subdivision 2, paragraph (a). Applicable credits must be deducted from the cost of the construction project.
(2) (i) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under section 256B.431, subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation.

(ii) The value of a facility's assets to be compared to the amount in item (i) begins with the total appraised value from the last rate notice a facility received when its rates were set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080. This value shall be indexed by the factor in section 256B.431, subdivision 3f, paragraph (a), for each rate year the facility received an inflation factor on its property-related rate when its rates were set under this section. The value of assets listed as previous capital additions, capital additions, and special projects on the facility's base year rate notice and the value of assets related to a construction project for which the facility received a rate adjustment when its rates were determined under this section shall be added to the indexed appraised value.

(iii) The maximum amount of assets to be recognized in computing a facility's rate adjustment after a project is completed is the lesser of the aggregate replacement-cost-new limit computed in (i) minus the assets recognized in (ii) or the actual allowable costs of the construction project.

(iv) If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be added to the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit stated in section 144A.071, subdivision 2, paragraph (a). Assets disposed of as a result of a construction project and applicable credits must be deducted from the cost of the construction project.

(f) For construction projects approved under section 144A.073, allowable debt can never exceed the cost of the assets purchased, the threshold limit in section 144A.071, subdivision 2, or the replacement-cost-new limit less previously existing capital debt.

(g) For construction projects that were not approved under section 144A.073, allowable debt is limited to the lesser of the threshold in section 144A.071, subdivision 2, for such construction projects or the applicable limit in paragraph (e), clause (1) or (2), less previously existing capital debt. Amounts of debt taken out that exceed the costs of a construction project shall not be allowed regardless of the use of the funds.

For all construction projects being recognized, interest expense and average debt shall be computed based on the first 12 months following project completion. "Previously existing capital debt" means capital debt recognized on the last rate determined under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, and the amount of debt recognized for a construction project for which the facility received a rate adjustment when its rates were determined under this section.

For a total replacement project as defined in section 256B.431, subdivision 17d, the value of previously existing capital debt shall be zero.

(h) In addition to the interest expense allowed from the application of paragraph (f), the amounts allowed under section 256B.431, subdivision 17a, paragraph (a), clauses (2) and (3), will be added to interest expense.

(i) The equity portion of the construction project shall be computed as the allowable assets in paragraph (e), less the average debt in paragraph (f). The equity portion must be multiplied by 5.66 percent and the allowable interest expense in paragraph (f) must be added. This sum must be divided by 95 percent of capacity days to compute the construction project rate adjustment.
(j) For projects that are not a total replacement of a nursing facility, the amount in paragraph (i) is adjusted for nonreimbursable areas and then added to the current property-related per diem of the facility.

(k) For projects that are a total replacement of a nursing facility, the amount in paragraph (i) becomes the new property-related per diem after being adjusted for nonreimbursable areas. Any amounts existing in a facility's rate before the effective date of the construction project for equity incentives under section 256B.431, subdivision 16; capital repairs and replacements under section 256B.431, subdivision 15; or refinancing incentives under section 256B.431, subdivision 19, shall be removed from the facility's rates.

(l) No additional equipment allowance is allowed under Minnesota Rules, part 9549.0060, subpart 10, as the result of construction projects under this section. Allowable equipment shall be included in the construction project costs.

(m) Capital assets purchased after the completion date of a construction project shall be counted as construction project costs for any future rate adjustment request made by a facility under section 144A.071, subdivision 2, clause (a), if they are purchased within 24 months of the completion of the future construction project.

(n) In subsequent rate years, the property-related rate for a facility that results from the application of this subdivision shall be the amount inflated in subdivision 4.

(o) Construction projects are eligible for an equity incentive under section 256B.431, subdivision 16. When computing the equity incentive for a construction project under this subdivision, only the allowable costs and allowable debt related to the construction project shall be used. The equity incentive shall not be a part of the property-related per diem and not inflated under subdivision 4.

Sec. 20. Minnesota Statutes 2004, section 256B.434, is amended by adding a subdivision to read:

Subd. 4g. Facility rate increase effective October 1, 2007; Otter Tail County. For the rate year beginning October 1, 2007, a nursing facility in Otter Tail County that was licensed for 55 beds as of January 1, 2006, shall receive a rate increase to increase its operating rate to the 60th percentile of the operating rates of all other Otter Tail County skilled nursing facilities. The commissioner shall determine the 60th percentile of the case mix portion of the operating rates of all other Otter Tail County skilled nursing facilities and then apply the case mix weights. The 60th percentile of the other facilities operating per diem for all other Otter Tail County facilities will be added to the above-determined weighted case mix amount to compute the 60th percentile operating rate. The nonoperating components of the facility's rates will not be adjusted under this subdivision.

Sec. 21. Minnesota Statutes 2004, section 256B.434, is amended by adding a subdivision to read:

Subd. 4h. Nursing facility rate increase effective October 1, 2007; Martin County. For the rate year beginning October 1, 2007, the commissioner shall provide to a nursing facility in Martin County licensed for 93 beds as of January 1, 2006, an increase in the total operating payment rate of $5 per resident day for all case mix classes.

Sec. 22. Minnesota Statutes 2004, section 256B.437, subdivision 3, is amended to read:

Subd. 3. Applications for planned closure of nursing facilities. (a) By August 15, 2001, the commissioner of human services shall implement and announce a program for closure or partial closure of nursing facilities. Names and identifying information provided in response to the announcement shall remain private unless approved, according to the timelines established in the plan. The announcement must specify:

(1) the criteria in subdivision 4 that will be used by the commissioner to approve or reject applications;
(2) the information that must accompany an application; and

(3) that applications may combine planned closure rate adjustments with moratorium exception funding, in which case a single application may serve both purposes.

Between August 1, 2001, and June 30, 2003, the commissioner may approve planned closures of up to 5,140 nursing facility beds, less the number of beds delicensed in facilities during the same time period without approved closure plans or that have notified the commissioner of health of their intent to close without an approved closure plan. Beginning July 1, 2004, the commissioner may negotiate a planned closure rate adjustment for nursing facilities providing the proposal has no cost to the state. For planned closure rate adjustments negotiated after March 1, 2006, the limit of $2,080 in subdivision 6, paragraph (a), clause (1), shall not apply. The removal of the limit in subdivision 6, paragraph (a), clause (1), shall not constitute an increase to the amount specified in subdivision 6, paragraph (a), clause (1), for the purposes of subdivision 6, paragraph (f).

(b) A facility or facilities reimbursed under section 256B.431 or 256B.434 with a closure plan approved by the commissioner under subdivision 5 may assign a planned closure rate adjustment to another facility or facilities that are not closing or in the case of a partial closure, to the facility undertaking the partial closure. A facility may also elect to have a planned closure rate adjustment shared equally by the five nursing facilities with the lowest total operating payment rates in the state development region designated under section 462.385, in which the facility that is closing is located. The planned closure rate adjustment must be calculated under subdivision 6. Facilities that delicense beds without a closure plan, or whose closure plan is not approved by the commissioner, are not eligible to assign a planned closure rate adjustment under subdivision 6, unless they are delicensing five or fewer beds, or less than six percent of their total licensed bed capacity, whichever is greater, are located in a county in the top three quartiles of beds per 1,000 persons aged 65 or older, and have not delicensed beds in the prior three months. Facilities meeting these criteria are eligible to assign the amount calculated under subdivision 6 to themselves. If a facility is delicensing the greater of six or more beds, or six percent or more of its total licensed bed capacity, and does not have an approved closure plan or is not eligible for the adjustment under subdivision 6, the commissioner shall calculate the amount the facility would have been eligible to assign under subdivision 6, and shall use this amount to provide equal rate adjustments to the five nursing facilities with the lowest total operating payment rates in the state development region designated under section 462.385, in which the facility that delicensed beds is located.

(c) To be considered for approval, an application must include:

(1) a description of the proposed closure plan, which must include identification of the facility or facilities to receive a planned closure rate adjustment;

(2) the proposed timetable for any proposed closure, including the proposed dates for announcement to residents, commencement of closure, and completion of closure;

(3) if available, the proposed relocation plan for current residents of any facility designated for closure. If a relocation plan is not available, the application must include a statement agreeing to develop a relocation plan designed to comply with section 144A.161;

(4) a description of the relationship between the nursing facility that is proposed for closure and the nursing facility or facilities proposed to receive the planned closure rate adjustment. If these facilities are not under common ownership, copies of any contracts, purchase agreements, or other documents establishing a relationship or proposed relationship must be provided;
(5) documentation, in a format approved by the commissioner, that all the nursing facilities receiving a planned closure rate adjustment under the plan have accepted joint and several liability for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under the plan; and

(6) an explanation of how the application coordinates with planning efforts under subdivision 2. If the planning group does not support a level of nursing facility closures that the commissioner considers to be reasonable, the commissioner may approve a planned closure proposal without its support.

(d) The application must address the criteria listed in subdivision 4.

**EFFECTIVE DATE.** This section is effective retroactively from March 1, 2006.

Sec. 23. Minnesota Statutes 2004, section 256B.438, subdivision 4, is amended to read:

Subd. 4. **Resident assessment schedule.** (a) Nursing facilities shall conduct and submit case mix assessments according to the schedule established by the commissioner of health under section 144.0724, subdivisions 4 and 5.

(b) The resident reimbursement classifications established under section 144.0724, subdivision 3, shall be effective the day of admission for new admission assessments. The effective date for significant change assessments shall be the assessment reference date. The effective date for annual and second quarterly assessments shall be the first day of the month following assessment reference date.

(c) Effective October 1, 2006, the commissioner shall rebase payment rates to account for the change in the resident assessment schedule in section 144.0724, subdivision 4, paragraph (b), clause (4), in a facility specific budget neutral manner, according to subdivision 7, paragraph (b). The rebased payment rates shall apply only for the rate period October 1, 2006, through September 30, 2008.

Sec. 24. Minnesota Statutes 2004, section 256B.69, subdivision 9, is amended to read:

Subd. 9. **Reporting.** (a) Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. The commissioner shall also develop methods of data reporting and collection from county advocacy activities in order to provide aggregate enrollee information on encounters and outcomes to determine access and quality assurance. Required information shall be specified before the commissioner contracts with a demonstration provider.

(b) Aggregate nonpersonally identifiable health plan encounter data, aggregate spending data for major categories of service as reported to the commissioners of health and commerce under section 62D.08, subdivision 3, paragraph (a), and criteria for service authorization and service use are public data that the commissioner shall make available and use in public reports. The commissioner shall require each health plan and county-based purchasing plan to provide:

(1) encounter data for each service provided, using standard codes and unit of service definitions set by the commissioner, in a form that the commissioner can report by age, eligibility groups, and health plan; and

(2) criteria, written policies, and procedures required to be disclosed under section 62M.10, subdivision 7, and Code of Federal Regulations, title 42, part 438.210(b)(1), used for each type of service for which authorization is required.
Sec. 25. Minnesota Statutes 2005 Supplement, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly and disabled persons.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal waiver contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with primary diagnoses of mental retardation or a related condition, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with primary diagnoses of mental retardation or a related condition, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

(b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement under this section projects for persons with developmental disabilities. The commissioner may capitate payments for ICF/MR services, waivered services for mental retardation or related conditions, including case management services, day training and habilitation and alternative active treatment services, and other services as approved by the state and by the federal government. Case management and active treatment must be individualized and developed in accordance with a person-centered plan. Costs under these projects may not exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003, and until two years after the pilot project implementation date, subcontractor participation in the long-term care developmental disability pilot is limited to a nonprofit long-term care system providing ICF/MR services, home and community-based waiver services, and in-home services to no more than 120 consumers with developmental disabilities in Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature prior to expansion of the developmental disability pilot project. This paragraph expires two years after the implementation date of the pilot project.

(c) Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.
(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. The process for approval of these programs shall begin only after the commissioner receives grant money in an amount sufficient to cover the state share of the administrative and actuarial costs to implement the programs during state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an account in the special revenue fund and are appropriated to the commissioner to be used solely for the purpose of PACE administrative and actuarial costs. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community alternatives for disabled individuals or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until January 1, 2008, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans for further expansion of MnDHO projects shall be presented to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007.

(g) Notwithstanding section 256B.0261, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 26. Minnesota Statutes 2004, section 256B.69, is amended by adding a subdivision to read:

Subd. 28. **Medicare special needs plans and medical assistance basic health care for persons with disabilities.** (a) The commissioner may contract with qualified Medicare-approved special needs plans to provide medical assistance basic health care services to persons with disabilities, including those with developmental disabilities. Basic health care services include:

(1) those services covered by the medical assistance state plan except for ICF/MR services, home and community-based waiver services, case management for persons with developmental disabilities under section 256B.0625, subdivision 20a, and personal care and certain home care services defined by the commissioner in consultation with the stakeholder group established under paragraph (d);
(2) basic health care services may also include risk for up to 100 days of nursing facility services for persons who reside in a noninstitutional setting and home health services related to rehabilitation as defined by the commissioner after consultation with the stakeholder group; and

(3) the commissioner may exclude other medical assistance services from the basic health care benefit set. Enrollees in these plans can access any excluded services on the same basis as other medical assistance recipients who have not enrolled.

Unless a person is otherwise required to enroll in managed care, enrollment in these plans for Medicaid services must be voluntary. For purposes of this subdivision, automatic enrollment with an option to opt out is not voluntary enrollment.

(b) Beginning January 1, 2007, the commissioner may contract with qualified Medicare special needs plans to provide basic health care services under medical assistance to persons who are dually eligible for both Medicare and Medicaid and those Social Security beneficiaries eligible for Medicaid but in the waiting period for Medicare. The commissioner shall consult with the stakeholder group under paragraph (d) in developing program specifications for these services. The commissioner shall report to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007, on implementation of these programs and the need for increased funding for the ombudsman for managed care and other consumer assistance and protections needed due to enrollment in managed care of persons with disabilities. Payment for Medicaid services provided under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

(c) Beginning January 1, 2008, the commissioner may expand contracting under this subdivision to all persons with disabilities not otherwise required to enroll in managed care.

(d) The commissioner shall establish a state-level stakeholder group to provide advice on managed care programs for persons with disabilities, including both MnDHO and contracts with special needs plans that provide basic health care services as described in paragraphs (a) and (b). The stakeholder group shall provide advice on program expansions under this subdivision and subdivision 23, including:

(1) implementation efforts;

(2) consumer protections; and

(3) program specifications such as quality assurance measures, data collection and reporting, and evaluation of costs, quality, and results.

(e) Each plan under contract to provide medical assistance basic health care services shall establish a local or regional stakeholder group, including representatives of the counties covered by the plan, members, consumer advocates, and providers, for advice on issues that arise in the local or regional area.

Sec. 27. Laws 2005, First Special Session chapter 4, article 9, section 5, subdivision 8, is amended to read:

Subd. 8. Board of Nursing

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<td>BASE ADJUSTMENT.</td>
<td>The base for the board of nursing is increased by $141,000 in fiscal year 2008 and by $216,000 in fiscal year 2009.</td>
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BOARD OF NURSING APPROPRIATIONS INCREASE. Of this appropriation, $120,000 the first year and $126,000 the second year are for the increased cost of board operations, excluding salary increases and $85,000 each year is to hire an advanced practice registered nurse.

TRANSFERS FROM SPECIAL REVENUE FUND. Of this appropriation, the following transfers shall be made as directed from the state government special revenue fund:

(a) $392,000 in fiscal year 2006, $864,000 in fiscal year 2007, $930,000 in fiscal year 2008, and $930,000 in fiscal year 2009 shall be transferred to the general fund and is appropriated to the Department of Human Services to offset the state share of the medical assistance program costs of the long-term care and home and community-based care employee scholarship program and associated administrative costs. At the end of each biennium, any funds not expended for the scholarship program and associated administrative costs shall be transferred to the state government special revenue fund carried over to the next biennium for the same purpose. Notwithstanding section 15, this paragraph expires June 30, 2011.

(b) $125,000 the first year and $200,000 the second year shall be transferred to the health professional education loan forgiveness program account for loan forgiveness for nurses under Minnesota Statutes, section 144.1501. This appropriation shall become part of base level funding for the commissioner for the biennium beginning July 1, 2007, but shall not be part of base level funding for the biennium beginning July 1, 2009. Notwithstanding section 15, this paragraph expires on June 30, 2009.

Sec. 28. STAKEHOLDER PARTICIPATION.

The commissioner of human services shall confer with one or more stakeholder groups of interested persons, including representatives of recipients, advocacy groups, counties, providers, and health plans to provide information and advice on the development of any substantial proposals for changes in the medical assistance program authorized by the federal Deficit Reduction Act of 2005, Public Law 109-171. In addition, for any substantial Deficit Reduction Act-related medical assistance change that affects recipients and that is proposed outside of the legislative or rulemaking process, the commissioner shall convene a stakeholder meeting and provide a 30-day comment period before the change becomes effective. If the time frame required to comply with a federal mandate precludes the 30-day advance notice, notice shall be given to the stakeholder group as soon as possible.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 29. ICF/MR PLAN.

The commissioner of human services shall consult with ICF/MR providers, advocates, counties, and consumer families to develop a stakeholder plan and legislation concerning the future services provided to people served in ICFs/MR. The plan shall be reported to the house and senate committees with jurisdiction over health and human services policy and finance issues by December 15, 2008. In preparing the plan, the commissioner shall consider:
(1) consumer choice of services;

(2) consumers' service needs, including, but not limited to, active treatment;

(3) the total cost of providing services in ICFs/MR and alternative delivery systems for individuals currently residing in ICFs/MR;

(4) the impact of the payment shift to counties for ICFs/MR with more than six beds;

(5) whether it is the policy of the state to maintain an ICF/MR system and, if so, the plan shall:

(i) define the purpose, types of services, and intended recipients of ICF/MR services;

(ii) define the capacity needed to maintain ICF/MR services for designated populations;

(iii) evaluate incentives for counties to maintain ICF/MR services;

(iv) ensure that mechanisms are provided to adequately fund the transition to the defined services, maintain the designated capacity, and are adjustable to meet increased service demands; and

(v) address the extent to which there is consensus among stakeholders; and

(6) if alternative services are recommended to support the people now receiving services in an ICF/MR, the plan shall provide for transition planning and ensure adequate state and federal financial resources are available to meet the needs of ICF/MR recipients.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 30. ADDITIONAL WAIVER ALLOCATIONS.

Notwithstanding the waiver growth limits in Laws 2005, First Special Session chapter 4, article 9, section 2, paragraph (d), the commissioner may allocate an additional waiver allocation under Minnesota Statutes, section 256B.49, for a recipient of personal care assistant services who is eligible for and chooses waivered services and received personal care assistant services from a provider who was billing for a service delivery model for that recipient other than individual or shared care on March 1, 2006.

Sec. 31. REPORT ON NEW CASE MIX INDICES.

The commissioner of human services shall report to the legislature by December 15, 2006, a mechanism to implement the case mix indices recommended in the 2004 Minnesota Nursing Facility Staff Time Measurement Study.

Sec. 32. COMMISSIONER OF HUMAN SERVICES; CONTINUING CARE MANAGEMENT BASE LEVEL ADJUSTMENT.

The general fund base for continuing care management is increased by $20,000 in fiscal year 2008 and by $30,000 in fiscal year 2009.
Sec. 33. REPAYMENT DELAY.

A county that overspent its allowed amounts in calendar year 2004 or 2005 under the waivered services program for persons with developmental disabilities shall not be required to pay back the amount of overspending until May 31, 2007.

Delete the title and insert:

"A bill for an act relating to health; establishing requirements for assisted living services; changing provisions for housing with services establishment; establishing an advisory committee to recommend a consumer information guide; modifying the home care bill of rights for assisted living clients; changing provisions for long-term care; making facility rate increases; changing provisions for alternative services for elderly and disabled persons; requiring the commissioner of human services to confer with advocacy groups; appropriating money; amending Minnesota Statutes 2004, sections 144.0724, subdivisions 3, 4; 144A.071, subdivision 4a; 144A.161, subdivisions 1, 2, 3, 4, 5, 5a, 5c, 6, 8, by adding a subdivision; 144A.4605; 144D.01, by adding a subdivision; 144D.015; 144D.02; 144D.03, subdivision 2, by adding a subdivision; 144D.04; 144D.05; 144D.065; 256B.434, by adding subdivisions; 256B.437, subdivision 3; 256B.438, subdivision 4; 256B.69, subdivision 9, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 144A.071, subdivision 1a; 256B.0918, subdivisions 1, 3, 4; 256B.434, subdivision 4; 256B.69, subdivision 23; Laws 2005, First Special Session chapter 4, article 9, section 5, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 144A; 144D; proposing coding for new law as Minnesota Statutes, chapter 144G; repealing Minnesota Rules, part 4668.0215."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3716, A bill for an act relating to elections; providing that the secretary of state shall distribute application for ballots to be cast pursuant to sections 203B.15 to 203B.31 in conformity with the Uniformed and Overseas Citizens Voter Act; appropriating money; amending Minnesota Statutes 2004, sections 203B.17; 203B.18; 203B.19.

Reported the same back with the following amendments:

Page 4, after line 13, insert:

"Sec. 4. APPROPRIATION.

$40,000 is appropriated from the general fund to the secretary of state in fiscal year 2007 for the purposes of sections 1 to 3."

Page 4, line 15, delete "3" and insert "4"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.
SECOND READING OF HOUSE BILLS

H. F. Nos. 1862, 2916, 2972, 3144 and 3716 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2528, 2995, 3105, 3106 and 3176 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hortman; Scalze; Davnie; Lillie; Peterson, S., and Liebling introduced:

H. F. No. 4191, A bill for an act relating to transportation; proposing a referendum on a 0.25 percent metropolitan area sales tax for transit; amending Minnesota Statutes 2004, section 297A.94; proposing coding for new law in Minnesota Statutes, chapter 297A.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Dorn introduced:

H. F. No. 4192, A bill for an act relating to state government; proposing a constitutional amendment to change the method for amending the constitution.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Dorn introduced:

H. F. No. 4193, A bill for an act relating to state government; proposing a constitutional amendment to change the method for amending the constitution.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Atkins introduced:

H. F. No. 4194, A bill for an act relating to taxes; modifying the treatment of certain income from foreign operations under the corporate franchise tax; increasing local government aid; providing a property tax rebate; establishing a tax rate for school district operating capital revenue; appropriating money; amending Minnesota
Statutes 2004, sections 290.34, subdivision 1; 477A.013, subdivision 9; Minnesota Statutes 2005 Supplement, sections 126C.10, subdivision 13a; 290.01, subdivisions 6b, 19c, 19d; 477A.013, subdivision 8; repealing Minnesota Statutes 2005 Supplement, section 477A.03, subdivision 2a.

The bill was read for the first time and referred to the Committee on Taxes.

Larson, Lieder, Erhardt and Kelliher introduced:

H. F. No. 4195, A bill for an act relating to restraint of trade; prohibiting sales of gasoline at grossly excessive price; authorizing expedited rulemaking; imposing penalties; amending Minnesota Statutes 2004, sections 325D.071; 325D.072; 325D.71.

The bill was read for the first time and referred to the Committee on Transportation.

Otremba introduced:

H. F. No. 4196, A bill for an act relating to transportation; establishing construction impact grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Anderson, B., introduced:

H. F. No. 4197, A bill for an act relating to human services; establishing a board of oversight of human services appeals; requiring reports; amending Minnesota Statutes 2004, section 14.63; proposing coding for new law in Minnesota Statutes, chapter 245A.

The bill was read for the first time and referred to the Committee on Health Policy and Finance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3712, A bill for an act relating to the environment; requiring disclosure regarding disposal of fluorescent lamps containing mercury; requiring mercury emissions reduction by public utilities; amending Minnesota Statutes 2004, sections 116.92, by adding a subdivision; 216B.1692, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 216B.

Patrick E. Flahaven, Secretary of the Senate
Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3185, A bill for an act relating to high pressure piping; classifying data relating to bioprocess piping and equipment as nonpublic; including bioprocess piping in the definition of high pressure piping; amending Minnesota Statutes 2004, sections 16B.61, subdivisions 2, 3; 326.461, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 13.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mahoney moved that the House refuse to concur in the Senate amendments to H. F. No. 3185, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2876, A bill for an act relating to town mutual insurance companies; modifying the exception to the restriction on insuring property in certain cities; amending Minnesota Statutes 2004, section 67A.14, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Severson moved that the House concur in the Senate amendments to H. F. No. 2876 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2876, A bill for an act relating to mutual insurance companies; changing certain conversion and reorganization provisions; modifying the exception to the restriction on insuring property in certain cities; amending Minnesota Statutes 2004, sections 60A.075, subdivision 1; 60A.077, subdivisions 1, 3, by adding a subdivision; 60A.207; 60D.19, subdivision 1; 60K.56, subdivisions 5, 6; 64B.13; 67A.14, subdivision 5; Minnesota Statutes 2005 Supplement, sections 66A.02, subdivisions 2, 3; 66A.07, subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler, Abrams, Anderson, B., Beard, Bernardy, Bradley, Brod, Buesgens, Carlson, Charron, Cox, Cybart, Davids, DeLaForest, Dean, Davnie, Cornish, DeLaForest
Those who voted in the negative were:

Newman

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3670, A bill for an act relating to agriculture; changing certain food law provisions; amending Minnesota Statutes 2004, sections 25.33, subdivision 11; 25.39, subdivisions 2, 3; 25.40; 25.41, subdivisions 1, 2, 4, 7, by adding a subdivision; 25.42, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hamilton moved that the House concur in the Senate amendments to H. F. No. 3670 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3670, A bill for an act relating to agriculture; changing certain food law provisions; amending Minnesota Statutes 2004, sections 25.33, subdivision 11; 25.39, subdivisions 2, 3; 25.40; 25.41, subdivisions 1, 2, 4, 7, by adding a subdivision; 25.42, subdivision 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.
The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler  Dorman  Hilstrom  Latz  Paulsen  Soderstrom
Abrams  Dorn  Hilty  Lenczewski  Paymar  Solberg
Anderson, B.  Eastlund  Hulberg  Lesch  Penas  Sykora
Beard  Eken  Hoppe  Liebling  Peppin  Thao
Bernardy  Ellison  Hornstein  Lieder  Peterson, A.  Thissen
Blaine  Emmer  Hortman  Lillie  Peterson, N.  Tingelstad
Bradley  Enzena  Hosch  Loeffler  Peterson, S.  Urdahl
Brod  Erhardt  Howes  Magnus  Poppe  Vandeven
Buesgens  Erickson  Huntley  Mahoney  Powell  Wagenius
Carlson  Finstad  Jaros  Marquart  Rukavina  Walker
Charron  Fritz  Johnson, J.  McNamara  Ruud  Wardlow
Cornish  Garofalo  Johnson, R.  Meslow  Sailer  Welti
Cox  Gazelka  Johnson, S.  Moe  Samuelson  Westerberg
Cybart  Goodwin  Juhnke  Mullery  Scalze  Westrom
Davids  Greiling  Kahn  Murphy  Seifert  Wilkin
Davnie  Gunther  Kehlher  Nelson, M.  Sertich  Zellers
Dean  Hackbarth  Klinzing  Nelson, P.  Severson  Spk. Sviggum
DeLaForest  Hamilton  Knoblach  Newman  Sieben  Smith
Demmer  Hansen  Koenen  Nornes  Simon  Snellman
Dempsey  Hausman  Krinke  Olson  Simpson  Smith
Dill  Haws  Lanning  Otremba  Slawik  Smith
Dittrich  Heidgerken  Larson  Ozent  Smith

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 358 and 3017.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 358, A bill for an act relating to school board elections; Special School District No. 1; providing for six members to be elected by district and three to be elected at-large.

The bill was read for the first time.

Davnie moved that S. F. No. 358 and H. F. No. 295, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.
S. F. No. 3017, A bill for an act relating to agriculture; providing for a study and report on public and private funding of a milk volume production loan program.

The bill was read for the first time.

Welti moved that S. F. No. 3017 and H. F. No. 3366, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

**CALENDAR FOR THE DAY**

H. F. No. 3383, A bill for an act relating to the city of Grand Rapids; authorizing issuance of certain capital improvement bonds.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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The bill was passed and its title agreed to.

S. F. No. 2953 was reported to the House.
Buesgens moved to amend S. F. No. 2953 as follows:

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 2004, section 240.30, subdivision 8, is amended to read:

Subd. 8. Limitations. The commission may not approve any plan of operation under subdivision 6 that exceeds any of the following limitations:

(1) the maximum number of tables used for card playing at the card club at any one time, other than tables used for instruction, demonstrations, or tournament play, may not exceed 50. The table limit exception for tournament play is allowed for only one tournament per year that lasts for no longer than 14 days each;

(2) except as provided in clause (3), no wager may exceed $60;

(3) for games in which each player is allowed to make only one wager or has a limited opportunity to change that wager, no wager may exceed $300."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Atkins raised a point of order pursuant to rule 3.21 that the Buesgens amendment was not in order. The Speaker ruled the point of order not well taken and the Buesgens amendment in order.

Atkins appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Abeler    Charron    Dorman    Gunther    Johnson, J.    McNamara
Abrams    Cornish    Eastlund    Hackbart    Juhnke    Meslow
Anderson, B.    Cox    Emmer    Hamilton    Kahn    Nelson, P.
Beard    Cybart    Erhardt    Heiderken    Klinzing    Newman
Blaine    Davids    Erickson    Holberg    Knoblach    Nornes
Bradley    Dean    Finstad    Hoppe    Krinkie    Olson
Brod    DeLaForest    Garofalo    Hortman    Lanning    Ozment
Buesgens    Demmer    Gazelka    Howes    Magnus    Paulsen
So it was the judgment of the House that the decision of the Speaker should stand.

The Speaker called Abrams to the Chair.

The question recurred on the Buesgens amendment and the roll was called. There were 56 yeas and 73 nays as follows:

Those who voted in the affirmative were:

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Those who voted in the negative were:

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The motion did not prevail and the amendment was not adopted.
Vandeveer offered an amendment to S. F. No. 2953.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.21 that the Vandeveer amendment was not in order. Speaker pro tempore Abrams ruled the point of order well taken and the Vandeveer amendment out of order.

The Speaker resumed the Chair.

S. F. No. 2953, A bill for an act relating to gambling; providing for breeders' fund distribution; making various clarifying, technical, and conforming changes to lawful gambling provisions; modifying expenditure restriction requirements; providing for conduct of certain pull-tab games; requiring a report; amending Minnesota Statutes 2004, sections 240.18, subdivision 3a; 349.12, subdivisions 4, 18, 21; 349.1635, subdivision 3; 349.168, subdivision 10; 349.17, subdivision 6; 349.19, subdivisions 2, 3; 349.211, subdivision 2a; Minnesota Statutes 2005 Supplement, sections 349.12, subdivisions 12a, 25; 349.15, subdivision 1; 349.151, subdivision 4c; 349.153; 349.16, subdivision 2; 349.162, subdivisions 4, 5; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.171, subdivisions 5, 7; 349.173; 349.18, subdivision 1; 349.213, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abeler  Abrams  Anderson, B.  Atkins  Beard  Bernardy  Blaine  Bradley  Brod  Buesgens  Carlson  Charron  Cornish  Cox  Cybart  Davids  Davnie  Dean  DeLaForest  Demmer

Those who voted in the negative were:


The bill was passed and its title agreed to.
H. F. No. 3171, A bill for an act relating to health; allowing parents to obtain a clean certified copy of a deceased child's birth record under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler  Dill  Haws  Lanning  Otremba  Simpson
Abrams  Dittrich  Heidgerken  Larson  Ozment  Slawik
Anderson, B.  Dorman  Hilstrom  Latz  Paulsen  Smith
Atkins  Dorn  Hilty  Lenczewski  Pelowski  Soderstrom
Beard  Eastlund  Holberg  Lesch  Penas  Solberg
Bernardy  Eken  Hoppe  Liebling  Peppin  Sykora
Blaine  Ellison  Hornstein  Lieder  Peterson, A.  Thao
Bradley  Emmer  Hortman  Lillie  Peterson, N.  Tingelstad
Brod  Entenza  Hosch  Loeffler  Magnus  Udahl
Buesgens  Erhardt  Howes  Mahoney  Poppe  Vandeveer
Carlson  Erickson  Huntley  Marquart  Powell  Wagenius
Charron  Finstad  Juras  McNamara  Rukavina  Walker
Clark  Fritz  Johnson, J.  Meslow  Ruud  Wardlow
Cornish  Garofalo  Johnson, R.  Moe  Sailer  Welti
Cox  Gazelka  Johnson, S.  Morey  Samuelson  Westerberg
Cybart  Goodwin  Juhnke  Mullery  Scalze  Westrom
Davids  Greiling  Kahl  Murphy  Seifert  Wilkin
Davnie  Gunther  Kelliher  Nelson, M.  Sertich  Zellers
Dean  Hackbart  Klinzing  Nelson, P.  Severson  Spk. Sviggum
DeLaForest  Hamilton  Knoblach  Newman  Sieben
Demmer  Hansen  Koenen  Nornes  Simon
Dempsey  Hausman  Krinke  Olson  Spk. Sviggum

The bill was passed and its title agreed to.

Paulsen moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

McNamara moved that his name be stricken as an author on H. F. No. 2295. The motion prevailed.

Vandeveer moved that the name of Cybart be added as an author on H. F. No. 2469. The motion prevailed.

Thissen moved that the name of Ruud be added as an author on H. F. No. 2553. The motion prevailed.

Abrams moved that the name of Tingelstad be added as an author on H. F. No. 3079. The motion prevailed.

Bradley moved that the name of Ruth be added as an author on H. F. No. 3144. The motion prevailed.
Slawik moved that the name of Otremba be added as an author on H. F. No. 3259. The motion prevailed.

Hansen moved that the name of Sieben be added as an author on H. F. No. 3479. The motion prevailed.

Erhardt moved that the name of Kahn be added as an author on H. F. No. 3503. The motion prevailed.

Penas moved that her name be stricken as an author on H. F. No. 3693. The motion prevailed.

Otremba moved that her name be stricken as an author on H. F. No. 3693. The motion prevailed.

Solberg moved that his name be stricken as an author on H. F. No. 3693. The motion prevailed.

Lanning moved that his name be stricken as an author and the name of Bradley be added as chief author on H. F. No. 3693. The motion prevailed.

Bradley moved that the name of Goodwin be added as an author on H. F. No. 3693. The motion prevailed.

Hackbarth moved that the names of Scalze; Lillie; Slawik; Simon; Fritz; Loeffler; Poppe; Haws; Thissen; Larson; Hornstein; Ellison; Ruud; Sieben; Peterson, A.; Johnson, R.; Heidgerken; Samuelson and Abeler be added as authors on H. F. No. 3712. The motion prevailed.

Urdahl moved that the name of Ruud be added as an author on H. F. No. 3975. The motion prevailed.

Krinkie moved that the names of Abeler and Dittrich be added as authors on H. F. No. 4142. The motion prevailed.

Abeler moved that the names of Kelliher and Bernardy be added as authors on H. F. No. 4152. The motion prevailed.

Sykora moved that the name of Davnie be added as an author on H. F. No. 4173. The motion prevailed.

Gunther moved that the name of Westerberg be added as an author on H. F. No. 4183. The motion prevailed.

Gunther moved that the names of Loeffler and Ruth be added as authors on H. F. No. 4185. The motion prevailed.

Kohls moved that the names of Westerberg, Samuelson and Ruth be added as authors on H. F. No. 4186. The motion prevailed.

Cornish moved that the name of Moe be added as an author on H. F. No. 4189. The motion prevailed.

Brod moved that H. F. No. 333 be recalled from the Committee on State Government Finance and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Vandeveer moved that H. F. No. 3526 be recalled from the Committee on Public Safety Policy and Finance and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Cybart moved that H. F. No. 3664, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Lenczewski moved that H. F. No. 4178 be returned to its author. The motion prevailed.
Hilty; Hornstein; Davids; Hausman; Cox; Ellison; Erhardt; Peterson, A.; Johnson, R.; Liebling; Kelliher; Sertich; Ruud; Hansen; Davnie; Juhnke; Lenczewski; Solberg; Dorman; Thao; Paymar; Murphy; Kahn; Nelson, M., and Thissen introduced:

House Resolution No. 25, A House resolution expressing the sense of the Minnesota House of Representatives concerning the challenge of Peak Oil and the need for Minnesota to prepare a plan of response and preparation.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, May 9, 2006. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Tuesday, May 9, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives