

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2001

 TWENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 22, 2001

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Pastor Melkamu Negeri, Oromo Lutheran Church, Minneapolis, 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	Dorn	Howes	Lindner	Paulsen	Swenson
Abrams	Eastlund	Huntley	Lipman	Pawlenty	Sykora
Anderson, B.	Entenza	Jacobson	Luther	Paymar	Thompson
Anderson, I.	Erhardt	Jaros	Mahoney	Pelowski	Tingelstad
Bakk	Erickson	Jennings	Mares	Penas	Tuma
Bernardy	Evans	Johnson, J.	Mariani	Peterson	Vandever
Biernat	Finseth	Johnson, R.	Marko	Pugh	Wagenius
Bishop	Folliard	Johnson, S.	Marquart	Rhodes	Walker
Boudreau	Fuller	Juhnke	McElroy	Rifenberg	Walz
Bradley	Gerlach	Kahn	McGuire	Rukavina	Wasiluk
Buesgens	Gleason	Kalis	Milbert	Ruth	Wenzel
Carlson	Goodno	Kelliher	Molnau	Schumacher	Westerberg
Cassell	Goodwin	Kielkucki	Mulder	Seagren	Westrom
Clark, J.	Greiling	Knoblach	Mullery	Seifert	Wilkin
Clark, K.	Gunther	Koskinen	Murphy	Sertich	Winter
Daggett	Haas	Krinkie	Ness	Skoe	Wolf
Davids	Hackbarth	Kubly	Nornes	Skoglund	Workman
Davnie	Harder	Kuisle	Olson	Slawik	Spk. Sviggum
Dawkins	Hausman	Larson	Opatz	Smith	
Dehler	Hilstrom	Leighton	Osskopp	Solberg	
Dempsey	Hilty	Lenczewski	Osthoff	Stanek	
Dibble	Holberg	Leppik	Otremba	Stang	
Dorman	Holsten	Lieder	Ozment	Swapinski	

A quorum was present.

Gray was excused.

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

REPORTS OF STANDING COMMITTEES

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 281, A bill for an act relating to civil commitment; modifying a definition; modifying the standard for an emergency hold; extending the potential hospitalization stay under early intervention; requiring certain hearings on neuroleptic medications to be combined with a civil commitment proceeding; amending Minnesota Statutes 2000, sections 253B.02, subdivision 13; 253B.05, subdivision 1; 253B.066, subdivision 1; and 253B.07, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Tuma from the Committee on Crime Prevention to which was referred:

H. F. No. 375, A bill for an act relating to commerce; prohibiting tampering with clock-hour meters on farm tractors; prescribing criminal and civil penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Agriculture Policy.

The report was adopted.

Tuma from the Committee on Crime Prevention to which was referred:

H. F. No. 478, A bill for an act relating to education; raising awareness of issues related to student use of sympathomimetic medication; clarifying the definition of educational neglect to indicate that a parent's refusal to provide sympathomimetic medications does not constitute educational neglect; providing for a study to examine student's Ritalin use; appropriating money; amending Minnesota Statutes 2000, sections 121A.41, subdivision 10; 122A.18, by adding a subdivision; 122A.61, subdivision 1; 125A.08; 125A.09, subdivision 3; 260A.01; 260C.163, subdivision 11; 626.556, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

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

H. F. No. 479, A bill for an act relating to elections; modifying requirements for evidence of identity and residence for purposes of election day voter registration; requesting the legislative auditor to study aspects of election administration practice; creating a revolving loan fund for purchase of election equipment by local units of government; appropriating money; amending Minnesota Statutes 2000, section 201.061, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 204B.

Reported the same back with the following amendments:

Page 2, line 32, strike "may" and insert "must"

Page 3, after line 22, insert:

"Sec. 3. Minnesota Statutes 2000, section 206.81, is amended to read:

206.81 [ELECTRONIC VOTING SYSTEMS; EXPERIMENTAL USE.]

(a) The secretary of state may license an electronic voting system for experimental use at an election prior to its approval for general use.

(b) The secretary of state may license a touch-sensitive direct recording electronic voting system for experimental use at an election before its approval for general use, and may impose restrictions on its use. A voting system used under this paragraph must permit a blind or visually impaired voter to cast a ballot independently and privately.

(c) Experimental use must be observed by the secretary of state or the secretary's designee and the results observed must be considered at any subsequent proceedings for approval for general use.

(d) The secretary of state may adopt rules consistent with sections 206.55 to 206.90 relating to experimental use. The extent of experimental use must be determined by the secretary of state.

Sec. 4. Minnesota Statutes 2000, section 211B.16, subdivision 1, is amended to read:

Subdivision 1. [COUNTY ATTORNEY INQUIRY.] A county attorney who is notified of an alleged violation of this chapter shall promptly investigate and within 14 days shall determine whether there is probable cause to institute a prosecution. If the county attorney is unable to make this determination within 14 days, the county attorney shall notify the individual who reported the alleged violation when a probable cause determination will be made. If there is probable cause for instituting a prosecution, the county attorney shall proceed by complaint or present the charge, with whatever evidence has been found, to the grand jury. A county attorney who refuses or intentionally fails to faithfully perform this or any other duty imposed by this chapter is guilty of a misdemeanor and upon conviction forfeits the office. The county attorney, under the penalty of forfeiture of office, shall prosecute all violations of this chapter except violations of this section. If, however, a complainant withdraws an allegation under this chapter, the county attorney is not required to proceed with prosecution."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "authorizing experimental use of a touch-sensitive direct recording electronic system; changing certain enforcement provisions;"

Page 1, line 9, delete "section" and insert "sections" and after "3;" insert "206.81; 211B.16, subdivision 1;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 529, A bill for an act relating to public lands; requiring the transfer of land owned by Hennepin county to the city of Eden Prairie; appropriating money for the sale of the land.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 653, A bill for an act relating to the State Building Code; defining certain terms; providing for designation of certain building officials; changing certain requirements and procedures; extending the existence of an advisory council; amending Minnesota Statutes 2000, sections 16B.60, subdivision 3, and by adding subdivisions; 16B.61, subdivision 1; 16B.65; and 16B.76, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 34, delete "July 1, 2001" and insert "January 1, 2002"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Wolf from the Committee on Regulated Industries to which was referred:

H. F. No. 659, A bill for an act relating to energy; establishing a state energy plan and promoting energy conservation; making conforming, technical, and clarifying changes; amending Minnesota Statutes 2000, sections 116C.691, subdivision 2, and by adding a subdivision; 116C.692; 116C.779; 216A.07, by adding a subdivision; 216B.16, subdivision 6b; 216B.1621, subdivision 2; 216B.164, subdivisions 3, 4, and 6; 216B.241, subdivisions 1, 1a, 1b, 1c, 2, and 2b; 216B.2421, subdivision 1; 216B.2423, subdivision 2; 216B.243, subdivision 3; 216C.17, subdivision 3; and 216C.41, subdivisions 1, 3, 4, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B; and 272; proposing coding for new law as Minnesota Statutes, chapter 216E; repealing Minnesota Statutes 2000, sections 216B.241, subdivision 2a; 216B.2422, subdivisions 1, 2, 2a, 4, 5, and 6; and 216C.18.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENERGY PLANNING

Section 1. [TITLE.]

This act shall be known as the Minnesota Energy Security and Reliability Act.

Sec. 2. [216B.011] [ADMINISTRATOR; ASSESSMENTS; APPROPRIATION; REPORT.]

Subdivision 1. [CREATION.] (a) Recognizing the critical importance of adequate, reliable, and environmentally sound energy services to the state's economy and the well-being of its citizens, and that responsibility for reliability is dispersed among several state agencies, the commissioner of commerce shall create an independent reliability administrator within the department of commerce.

(b) The commissioner, with the advice and consent of the commission, shall appoint the administrator for a term concurrent with that of the governor. The administrator may be removed only for cause. In addition to jointly appointing the administrator, the commissioner, the commission chair, and the director of the office of strategic and long-range planning shall oversee and direct the work of the administrator, annually audit the expenses of the administrator, and biennially approve the budget of the administrator.

(c) The administrator may utilize staff from the department, commission, and the board, at the discretion of the administrative heads of those agencies; may hire staff; and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required.

(d) The salary of the administrator is governed by section 15A.0815, subdivision 2.

Subd. 2. [DUTIES.] (a) The administrator shall increase state agency technical expertise and understanding of reliability needs and increase public confidence in proposed infrastructure projects by:

(1) modeling and monitoring the use and operation of the energy infrastructure in the state, including generation facilities, transmission lines, natural gas pipelines, and other energy infrastructure;

(2) identifying weaknesses, constraints, and conditions that materially limit the adequacy of energy supply, efficiency of energy service, or reliability of energy service to consumers in Minnesota that may require construction of a generation, transmission, or natural gas pipeline project;

(3) developing and consolidating technical analyses of proposed infrastructure projects, to be utilized by the commission, the department, the office of attorney general, the environmental quality board, and the pollution control agency in reviewing applications for infrastructure approvals under the jurisdiction of those respective agencies;

(4) assessing, from a technical standpoint, assertions of need for additional infrastructure for the members of the regional energy infrastructure planning groups;

(5) developing, issuing, and presenting the reliability status report required under subdivision 4 and the state reliability plan under section 216B.012;

(6) hosting public meetings around the state to present independent, factual, expert, technical information on infrastructure proposals; and

(7) coordinating with regional energy infrastructure planning groups; regulators and reliability officials of other states; regional reliability entities; and the federal government.

(b) The commission, department, and environmental quality board shall refer applications for transmission infrastructure approvals to the administrator for initial technical analysis of the proposed infrastructure improvement on reliability of energy services to Minnesota consumers. The administrator shall provide written and oral technical assistance on the application to each referring agency, and shall provide such advice and analysis as that agency deems necessary.

(c) The administrator shall certify its administrative costs to the commission on a monthly basis, and shall specify those costs that are general in nature, and those that were incurred on a specific application or with regard to a specific utility. The commission shall review those costs, and shall order payment within 30 days of commission review. The department shall render a bill to the utility or utilities, either at the conclusion of the proceeding, analysis, or service, or from time to time during the course of the proceeding, analysis, or service. The bill constitutes notice of the assessment and a demand for payment. The amount of the bills so rendered by the department must be paid by the public utility into the state treasury within 30 days from the date of billing and are appropriated to the administrator for the purposes provided in this section. General administrative costs of the administrator must not exceed \$2,000,000 for a fiscal biennium; however, additional amounts may be incurred and recovered above this amount, if the commissioner and chair of the commission deem the additional amounts to be necessary. The administrator shall provide a detailed accounting of its finances to the commissioner and to the chairs of the house and senate finance committees with jurisdiction over the department's budget. Costs that are of a general nature must be apportioned among all energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. Within 30 days after the date of the mailing of any bill as provided by this subdivision and subdivision 3, the utility against which the bill has been rendered may file with the commission objections setting out the grounds upon which it is claimed the bill is excessive, erroneous, unlawful, or invalid. Within 60 days, the commission shall hold a hearing and issue an order in accordance with its findings. The order is appealable in the same manner as other final orders of the commission. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section.

Subd. 3. [TECHNICAL ASSISTANCE.] Upon request, the administrator shall provide technical assistance regarding matters unrelated to applications for infrastructure improvements to the department, the commission, and the board.

Subd. 4. [RELIABILITY STATUS REPORT.] (a) The commission shall require all distribution utilities, as technically and administratively feasible, to report to the administrator on operating and planning reserves, available transmission capacity, outages of major generation units and feeders of distribution and transmissions facilities, the adequacy of stock and equipment, and any other information necessary to assess the current and future reliability of energy service in this state. Distribution utilities that are currently required to file resource plans may submit updates, if applicable.

(b) The administrator shall, by January 1 of each odd-numbered year beginning in 2003, assess and report to the commissioner, with copies to the commission and the chairs of the house and senate committees with jurisdiction over energy policy issues, the status of the reliability of electric service in the state and make recommendations, if applicable, for regulatory or legislative action.

Sec. 3. [216B.012] [STATE RELIABILITY PLAN.]

(a) By January 1 of every odd-numbered year, the administrator shall develop and present to the commissioner recommendations for a draft state reliability plan, consisting of critical transmission system upgrades and new transmission projects of 100 kilovolts or greater. Only projects that, in the opinion of the administrator, meet the criteria established in section 216B.243 for issuing certificates of need and public purpose designations for large energy facilities may be recommended to be included in the draft administrator's recommendations. The plan may describe projects generally. Specific locations and routes must be determined by the environmental quality board as provided in section 116C.57 or 116C.575.

(b) In developing the administrator's recommendations, the administrator shall consider:

(1) the most recent state energy security blueprint issued under section 216B.015;

(2) the most recent regional energy infrastructure reports issued by the regional energy infrastructure planning regions;

(3) any transmission plan issued by a federally approved regional reliability entity for the region that includes Minnesota, or issued by the reliability entity for this region that is a member of the North American Electric Reliability Council, or any successor organization;

(4) any deficiencies noticed under section 216B.019, subdivision 5;

(5) any transmission plan developed and proposed jointly by the transmission-owning or transmission-operating entities in the state;

(6) the needs of transmission-dependent utilities and customers in Minnesota; and

(7) any other information the administrator deems necessary or reasonable.

(c) Each energy utility, energy service supplier, or transmission owner or operator shall comply with all requests for information that the administrator deems necessary to complete the proposed plan.

(d) Within 30 days of receiving the administrator's recommendations, the commissioner shall propose a state reliability plan to the commission. The commission shall approve, reject, or approve as modified the plan proposed by the administrator within 180 days of issuance and shall publish the plan in the State Register. In making its decision under this paragraph, the commission shall impose the criteria and procedures established in section 216B.243 for issuing certificates of need and public purpose designations. Each project in a state reliability plan approved by the commission is exempt from additional commission review under section 216B.243.

(e) The administrator shall hold public meetings in all areas of the state affected by the reliability plan.

(f) This chapter may not be construed to undermine the existing and continuing obligation of the public utilities, municipal utilities, and cooperative electric associations that operate and provide service in this state to be ultimately responsible for (1) providing reliable, affordable, safe, and efficient energy services to their customers in this state, (2) planning to meet the resource and infrastructure needs of those customers, or (3) ensuring that those resources and infrastructure are sited and constructed or otherwise acquired.

Sec. 4. [216B.013] [EXISTING GENERATION FACILITIES.]

In order to continue the low-maintenance and low-cost service that the existing base-load generation facilities in Minnesota have provided to Minnesota consumers, and to provide power to meet the growing demand for electricity by Minnesota consumers and businesses, it is the policy of the state that these facilities be maintained and upgraded consistent with energy policy goals established pursuant to this chapter. The public utilities commission, department, and other state agencies with regulatory jurisdiction over the operation of these facilities shall take all steps necessary to incorporate this state policy into the regulatory decisions made by each respective agency.

Sec. 5. [216B.014] [ENERGY SECURITY AND RELIABILITY.]

(a) It is a fundamental goal of Minnesota's energy and utility policy that state policymakers maximize the state's energy security.

(b) "Energy security" means, among other things, ensuring that the state's energy sources are:

(1) diverse, including (i) traditional sources such as coal, natural gas, waste-to-energy, and nuclear facilities, (ii) renewable sources such as wind, biomass, and agricultural waste generation, and (iii) high-efficiency, low-emissions distributed generation sources such as fuel cells and microturbines;

(2) to the extent feasible, produced in the state;

(3) environmentally sustainable;

(4) available to consumers at affordable and stable rates or prices; and

(5) above all, reliable. "Reliable" means, among other things, that adequate resources and infrastructure are in place, and are planned for, to provide efficient, dependable, and secure energy services to Minnesota consumers.

Sec. 6. [216B.015] [ENERGY SECURITY BLUEPRINT.]

(a) The commissioner shall develop a draft energy security blueprint by March 1, 2002, and every four years thereafter. The blueprint must:

(1) identify important trends and issues in energy supply, consumption, conservation, and costs;

(2) set energy goals; and

(3) develop strategies to meet the goals.

(b) For the purposes of sections 216B.012 to 216B.019, the terms:

(1) "electric utility" means an entity that is a public utility; a cooperative electric association providing generation, transmission, or distribution services; a municipal utility; or a municipal power agency; and

(2) "energy utility" means an electric utility, or an entity providing natural gas to retail consumers.

Sec. 7. [216B.016] [ENERGY BLUEPRINT CONTENTS.]

The energy blueprint must include:

(1) the amount and type of projected statewide energy consumption over the next ten years;

(2) a determination of whether and the extent to which existing and anticipated energy production and transportation facilities will or will not be able to supply needed energy;

(3) a determination of the potential for conservation to meet some or all of the projected need for energy;

(4) an assessment of the environmental impact of projected energy consumption over the next ten years, prepared by the commissioner of the pollution control agency in consultation with other state agencies and other interested persons, with strategies to mitigate those impacts; and

(5) benchmarks to measure and monitor supply adequacy and infrastructure capacity, and to assess the overall reliability of the state's electric system.

Sec. 8. [216B.017] [ENERGY GOALS.]

(a) The blueprint must recommend statewide goals and list strategies to accomplish the following goals for:

(1) energy conservation and recovery;

(2) limiting adverse environmental emissions from the generation of electric energy consumed in the state;

(3) production of electric energy consumed in the state from renewable energy sources;

(4) deployment of distributed electric generation technologies;

(5) ensuring that energy service is affordable and available to all consumers in the state;

(6) minimizing the imposition of social costs on energy consumers through energy rates or prices; and

(7) increasing the efficiency of the regulatory infrastructure and reducing regulatory and administrative costs.

(b) The goals adopted in the blueprint may be one-time goals or a series of goals to meet overall objectives. The commissioner and the administrator shall jointly present these goals, and any associated strategies that require changes to state law, to the legislature for modification and approval.

Sec. 9. [216B.018] [BLUEPRINT DEVELOPMENT.]

Subdivision 1. [PUBLIC PARTICIPATION.] The commissioner shall:

(1) invite public and stakeholder comment and participation during blueprint development; and

(2) hold at least one public meeting on the proposed blueprint in each energy infrastructure planning region of the state after at least 30 days' public notice in the region.

Subd. 2. [NOTICE AND COMMENT; BLUEPRINT ISSUANCE.] The commissioner shall provide notice of all public meetings to discuss the proposed blueprint and allow opportunity for written comment prior to issuing the final blueprint. After review by the administrator, the commissioner shall publish the final energy blueprint in the State Register within four months of issuing the draft blueprint.

Sec. 10. [216B.019] [REGIONAL ENERGY INFRASTRUCTURE PLANNING.]

Subdivision 1. [ESTABLISHING PLANNING REGIONS.] The commission, after notice and opportunity for written comment, shall establish geographic regional energy infrastructure planning regions in the state by August 1, 2001. Planning regions may coincide with existing subregional planning areas used by the regional electric reliability or regional transmission organization serving Minnesota.

Subd. 2. [PLANNING GROUP.] Each energy utility that operates in an identified region shall participate in the regional energy infrastructure planning group. Each regional group must include as voting members an equal number of representatives of energy utilities, and representatives from counties in the identified region, appointed by the county board.

Subd. 3. [PUBLIC MEETINGS.] Each regional energy infrastructure planning group shall hold public meetings within the region on a regular basis and provide public notice at least 14 calendar days in advance of a meeting.

Subd. 4. [REPORT.] By December 31, 2001, and every two years thereafter, each regional energy infrastructure planning group shall submit a report to the commissioner that:

(1) identifies inadequacies in electric generation and transmission within the region including any deficiencies as defined in subdivision 5;

(2) lists alternative ways to address identified inadequacies, taking into account the provisions of the state energy security blueprint;

(3) identifies potential general and, to the extent known, specific economic, environmental, and social issues associated with each alternative; and

(4) recommends alternatives to address identified inadequacies and deficiencies that ensure the reliability and security of the energy system in the region, while minimizing environmental and social impacts. In making recommendations, the planning group shall identify critical needs. For the purposes of this clause, "critical needs" are those projects that are necessary to maintain reliable electric service to Minnesota consumers that meet or exceed the most stringent applicable state or regional reliability standards.

Subd. 5. [DEFICIENCY.] (a) "Deficiency" means a condition, or set of conditions, that materially limit the adequacy of electric supply, efficiency of electric service, or reliability of electric service to an electric utility's customers in the state that may require construction of a generation or transmission project.

(b) Within 90 days of identifying a deficiency in its system, an electric utility shall give notice of the deficiency to at least:

- (1) the members of affected regional energy infrastructure planning groups;
- (2) officials of potentially affected local governments; and
- (3) the commissioner and the independent reliability administrator.

(c) Notice of deficiency must be made before submitting (1) an application for a certificate of need under section 216B.243 or (2) a request for environmental review of an energy project to any governmental entity.

Sec. 11. [EFFECTIVE DATES.]

Sections 2 and 3 are effective July 1, 2002. The rest of this article is effective the day following final enactment.

ARTICLE 2

ESSENTIAL ENERGY INFRASTRUCTURE

Section 1. Minnesota Statutes 2000, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. [PERMITS.] (a) The pollution control agency may issue, continue in effect, or deny permits, under such conditions as it may prescribe for the prevention of pollution, for (1) the emission of air contaminants except for emissions from electric generation stations, or for (2) the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for (3) the sources or emissions of noise pollution:

The pollution control agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for, (4) the emissions of air contaminants from electric generation stations, (5) the storage, collection, transportation, processing, or disposal of waste, or for (6) the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

The pollution control agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(b) The pollution control agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to sections 366.10 to 366.181, 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

Sec. 2. Minnesota Statutes 2000, section 116C.52, subdivision 4, is amended to read:

Subd. 4. [HIGH VOLTAGE TRANSMISSION LINE.] "High voltage transmission line" means a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of ~~200~~ 100 kilovolts or more, ~~except that the board, by rule, may exempt lines pursuant to section 116C.57, subdivision 5.~~

Sec. 3. Minnesota Statutes 2000, section 116C.53, subdivision 3, is amended to read:

Subd. 3. [INTERSTATE ROUTES.] (a) If a route is proposed in two or more states, the board shall attempt to reach agreement with affected states on the entry and exit points prior to authorizing the construction of the route. The board, in discharge of its duties pursuant to sections 116C.51 to 116C.69 may make joint investigations, hold joint hearings within or without the state, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States. The board may negotiate and enter into any agreements or compacts with agencies of other states, pursuant to any consent of Congress, for cooperative efforts in certifying the construction, operation, and maintenance of large electric power facilities in accord with the purposes of sections 116C.51 to 116C.69 and for the enforcement of the respective state laws regarding ~~such~~ these facilities.

(b) The board may not issue a route permit for the Minnesota portion of an interstate high voltage transmission line unless the applicant has received a certificate of need from the public utilities commission.

Sec. 4. Minnesota Statutes 2000, section 116C.57, subdivision 1, is amended to read:

Subdivision 1. [~~DESIGNATION OF SITES SUITABLE FOR SPECIFIC FACILITIES; REPORTS SITE PERMIT.~~] A utility must apply to the board in a form and manner prescribed by the board for designation of a specific site for a specific size and type of facility. The application shall contain at least two proposed sites. In the event a utility proposes a site not included in the board's inventory of study areas, the utility shall specify the reasons for the proposal and shall make an evaluation of the proposed site based upon the planning policies, criteria and standards specified in the inventory. Pursuant to sections 116C.57 to 116C.60, the board shall study and evaluate any site proposed by a utility and any other site the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites. No site designation shall be made in violation of the site selection standards established in section 116C.55. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. Within a year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria specified in section 116C.55, subdivision 2, the responsibilities, procedures and considerations specified in section 116C.57, subdivision 4, and the considerations in chapter 116D which proposed site is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed six months. When the board designates a site, it shall issue a certificate of site compatibility to the utility with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of site designation. No person may construct a large electric power generating plant shall be constructed except on without a site designated by permit from the board or a county. A large electric generating plant may be constructed only on either (1) a site approved by the board under this section or section 116C.575, or (2) a site designated by a county using terms, conditions, procedures, and standards no less stringent than those imposed and used by the board.

Sec. 5. Minnesota Statutes 2000, section 116C.57, subdivision 2, is amended to read:

Subd. 2. [~~DESIGNATION OF ROUTES; PROCEDURE ROUTE PERMIT.~~] A utility shall apply to the board in a form and manner prescribed by the board for a permit for the construction of a high voltage transmission line. The application shall contain at least two proposed routes. Pursuant to sections 116C.57 to 116C.60, the board shall study, and evaluate the type, design, routing, right-of-way preparation and facility construction of any route proposed in a utility's application and any other route the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate routes provided, however, that the board shall identify the alternative routes prior to the commencement of public hearings thereon pursuant to section 116C.58. Within one year after the board's acceptance of a utility's application, the board

shall decide in accordance with the criteria and standards specified in section 116C.55, subdivision 2, and the considerations specified in section 116C.57, subdivision 4, which proposed route is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed 90 days. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the type, design, routing, right-of-way preparation and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities which are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the state register within 30 days of issuance of the permit. (a) No person may construct a high voltage transmission line shall be constructed except on without a route designated by permit from the board or by a county pursuant to paragraph (b), unless it was exempted pursuant to subdivision 5. A high voltage transmission line may be constructed only along a route approved by the board under this section or section 116C.575, or by a county pursuant to paragraph (b).

(b) A high voltage transmission line of between 100 and 200 kilovolts may be permitted and routed by a county using terms, conditions, procedures, and standards no less stringent than those imposed and used by the board, unless the county requests the board to route the proposed line.

Sec. 6. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2a. [APPLICATION.] (a) A person seeking to construct a large electric power generating plant or a high voltage transmission line shall apply to the board for a site permit or route permit. The application must contain any information required by the board and must specify:

- (1) whether the applicant is required to receive a certificate of need for the proposed project;
- (2) whether the applicant is required to comply with section 216B.019, subdivision 5, and has complied;
- (3) whether the proposed project was identified, discussed, and considered by the relevant regional energy infrastructure planning group and the result of that consideration.

(b) The applicant shall propose at least two sites for a large electric power generating plant and two routes for a high voltage transmission line.

(c) The chair of the board shall determine whether an application is complete and advise the applicant of any deficiencies.

Sec. 7. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2b. [NOTICE OF APPLICATION.] Within 15 days after submitting an application to the board, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and town in which the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer, but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the board for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

Sec. 8. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2c. [ENVIRONMENTAL REVIEW.] (a) After a complete application has been submitted, an environmental impact statement must be prepared by the board for each proposed large electric generating plant and for each proposed high voltage transmission line.

(b) The board shall not consider the no-build alternative for any project that is required to have a certificate of need from the public utilities commission.

(c) No other state environmental review documents are required.

(d) The board shall study and evaluate any site or route proposed by an applicant, in addition to any other site or route the board deems necessary that was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites or routes.

Sec. 9. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2d. [PUBLIC HEARING.] The board and the independent reliability administrator shall hold a joint public hearing on an application for a site permit for a large electric power generating plant or a route permit for a high voltage transmission line. A hearing held for designating a site or route must be conducted by an administrative law judge from the office of administrative hearings under the contested case procedures of chapter 14. Notice of the hearing must be given by the board at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice must be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. A person may appear at the hearing and offer testimony and exhibits without the necessity of intervening as a formal party to the proceeding. The administrative law judge may allow a person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

Sec. 10. Minnesota Statutes 2000, section 116C.57, subdivision 4, is amended to read:

Subd. 4. [CONSIDERATIONS IN DESIGNATING SITES AND ROUTES.] (a) To facilitate the study, research, evaluation, and designation of sites and routes, the board shall be guided by, but not limited to, the following responsibilities, procedures, and considerations:

(1) evaluation of research and investigations relating to the effects on land, water, and air resources of large electric power generating plants and high voltage transmission line routes and the effects of water and air discharges and electric fields resulting from such facilities on public health and welfare, vegetation, animals, materials, and aesthetic values, including base line studies, predictive modeling, and monitoring of the water and air mass at proposed and operating sites and routes, evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air, and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects ~~which~~ that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes ~~which~~ that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; and

(12) ~~where~~ when appropriate, consideration of problems raised by other state and federal agencies and local entities.

~~(13)~~ (b) If the board's rules are substantially similar to existing ~~rules and~~ regulations of a federal agency to which the utility in the state is subject, the federal ~~rules and~~ regulations ~~shall~~ must be applied by the board.

~~(14)~~ (c) No site or route ~~shall~~ may be designated ~~which violates~~ if to do so would violate state agency rules.

Sec. 11. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 7. [TIMING.] The board shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the chair's determination that an application is complete. The time for the final decision may be extended for up to 90 days for good cause and if all parties agree.

Sec. 12. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 8. [FINAL DECISION.] (a) A site permit may not be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the board. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. When the board designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of issuing the site permit.

(b) A route permit may not be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the board. When the route is designated, the permit issued for the construction of the facility must specify the type, design, routing, right-of-way preparation, and facility construction deemed necessary and any other appropriate conditions. The board may order the construction of high voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the State Register within 30 days of issuing the permit.

Sec. 13. [116C.575] [ALTERNATIVE REVIEW OF APPLICATIONS.]

Subdivision 1. [ALTERNATIVE REVIEW.] An applicant who seeks a site permit or route permit for one of the projects identified in this section may petition the board to be allowed to follow the procedures in this section rather than the procedures in section 116C.57. The board shall grant the petition within 30 days unless the board finds good cause for denial.

Subd. 2. [APPLICABLE PROJECTS.] The requirements and procedures in this section may apply to the following projects:

- (1) large electric power generating plants with a capacity of between 50 and 80 megawatts regardless of fuel;
- (2) large electric power generating plants powered by natural gas as its primary fuel;
- (3) projects to retrofit or repower an existing large electric power generating plant to one burning primarily natural gas or other similar clean fuel;
- (4) any natural gas peaking facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;
- (5) high voltage transmission lines of between 100 and 200 kilovolts;
- (6) high voltage transmission lines in excess of 200 kilovolts less than five miles in length in Minnesota; and
- (7) high voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located parallel or along existing high voltage transmission line right-of-way.

Subd. 3. [APPLICATION.] The applicant for a site certificate or route permit for any of the projects listed in subdivision 2 who chooses to follow these procedures shall submit information the board may require, but the applicant is not required to propose a second site or route for the project. The applicant shall identify in the application any other sites or routes that were rejected by the applicant and the board may identify additional sites or routes to consider during the processing of the application. The chair of the board shall determine whether an application is complete and advise the applicant of any deficiencies.

Subd. 4. [NOTICE OF APPLICATION.] On submitting an application under this section, the applicant shall provide the same notice as required by section 116C.57, subdivision 4.

Subd. 5. [ENVIRONMENTAL REVIEW.] For the projects identified in subdivision 2 and following these procedures, the board shall prepare an environmental assessment worksheet. The board shall include as part of the environmental assessment worksheet alternative sites or routes identified by the board and shall address mitigating measures for all of the sites or routes considered. The environmental assessment worksheet is the only state environmental review document required to be prepared on the project.

Subd. 6. [PUBLIC MEETING.] The board and the independent reliability administrator shall hold a joint public meeting in the area where the facility is proposed to be located. The board shall give notice of the public meeting in the same manner as notice for a public hearing. The board shall provide opportunity at the public meeting for any person to present comments and to ask questions of the applicant and board staff. The board shall also afford interested persons an opportunity to submit written comments into the record.

Subd. 7. [TIMING.] The board shall make a final decision on an application within 60 days after completion of the public meeting. A final decision on the request for a site permit or route permit under this section must be made within six months after the chair's determination that an application is complete. The time for the final decision may be extended for up to 45 days for good cause and if all parties agree.

Subd. 8. [CONSIDERATIONS.] The considerations in section 116C.57, subdivision 4, apply to any projects subject to this section.

Subd. 9. [FINAL DECISION.] (a) A site permit may not be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the board. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. When the board designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) A route designation may not be made in violation of the route selection standards and criteria established in this section and in rules adopted by the board. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the type, design, routing, right-of-way preparation, and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

Sec. 14. [116C.576] [EMERGENCY PERMIT.]

(a) Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line due to a major unforeseen event may apply to the board for an emergency permit after providing notice in writing to the public utilities commission of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the board's acceptance of the application and upon a finding by the board that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 116C.57 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The board, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

Sec. 15. Minnesota Statutes 2000, section 116C.58, is amended to read:

116C.58 ~~[PUBLIC HEARINGS; NOTICE ANNUAL HEARING.]~~

The board shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding ~~its inventory of study areas and any other aspects of the board's activities and duties or policies specified in sections 116C.51 to 116C.69.~~ The board shall hold at least one public hearing in each county where a site or route is being considered for designation pursuant to section 116C.57. Notice and agenda of public hearings and public meetings of the board held in each county shall be given by the board at least ten days in advance but no earlier than 45 days prior to such hearings or meetings. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing or public meeting is to be held and by certified mailed notice to chief executives of the regional development commissions, counties, organized towns and the incorporated municipalities in which a site or route is proposed. All hearings held for designating a site or route or for exempting a route shall be conducted by an administrative law judge from the office of administrative hearings pursuant to the contested case procedures of chapter 14. Any person may appear at the hearings and present testimony and exhibits and may question witnesses without the necessity of intervening as a formal party to the proceedings. any matters relating to the siting of large electric generating power plants and routing of high voltage transmission lines. At the meeting, the board shall advise the public of the permits issued by the board in the past year. The board shall provide at least ten days' notice, but no more than 45 days' notice, of the annual meeting by mailing notice to those persons who have requested notice and by publication in the board's "EQB Monitor."

Sec. 16. Minnesota Statutes 2000, section 116C.59, subdivision 1, is amended to read:

Subdivision 1. [~~ADVISORY TASK FORCE LOCAL PLANNING COMMISSIONS.~~] The board ~~may appoint one or more advisory task forces shall confer with affected local planning commissions~~ to assist it in carrying out its duties. ~~Task forces appointed to evaluate sites or routes considered for designation shall be comprised of as many persons as may be designated by the board, but at least one representative from each of the following: Regional development commissions, counties and municipal corporations and one town board member from each county in which a site or route is proposed to be located. No officer, agent, or employee of a utility shall serve on an advisory task force. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees. The task forces expire as provided in section 15.059, subdivision 6.~~

Sec. 17. Minnesota Statutes 2000, section 116C.60, is amended to read:

116C.60 [PUBLIC MEETINGS; TRANSCRIPT OF PROCEEDINGS; WRITTEN RECORDS.]

Meetings of the board, including hearings, ~~shall~~ must be open to the public. Minutes ~~shall~~ must be kept of board meetings and a complete record of public hearings ~~shall~~ be kept. All books, records, files, and correspondence of the board ~~shall~~ must be available for public inspection at any reasonable time. ~~The council shall board is~~ also be subject to chapter 13D.

Sec. 18. Minnesota Statutes 2000, section 216B.16, is amended by adding a subdivision to read:

Subd. 17. [DISTRIBUTED GENERATION TARIFF.] (a) In order to facilitate and encourage the use of distributed generation, each public utility providing electric service at retail shall file a distributed generation tariff for commission approval or approval with modification.

(b) The commission may approve a tariff that it finds:

(1) provides for the low-cost, safe, and standardized interconnection, consistent with sections 216B.68 to 216B.75, of customer-owned distributed generation facilities (i) consisting of fuel cells and microturbines fueled by natural gas, renewable fuels, or other similarly clean fuels, by wind, or by photo-voltaics; (ii) with a capacity of two megawatts or less; (iii) owned by small-business or residential customers; and (iv) constructed on-site;

(2) encourages and compensates for the addition of distributed generation power resources while reducing the cost to the utility's customers for energy, capacity, transmission and distribution;

(3) minimizes and avoids tariff-related increases in the rates of customers not taking service under the distributed generation tariff; and

(4) allows for reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that the utility can reasonably rely upon the equipment to be operational when called upon.

(c) The commission may develop financial incentives based on a utility's performance in encouraging residential and small business customers to participate in on-site generation.

Sec. 19. Minnesota Statutes 2000, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. [LARGE ENERGY FACILITY.] "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of 80,000 kilowatts or more, or any facility of 50,000 kilowatts or more which requires oil, natural gas, or natural gas liquids as a fuel and for which an installation permit has not been applied for by May 19, 1977 pursuant to Minn. Reg. APC 3(a);

(2) any high voltage transmission line with a capacity of ~~200~~ 100 kilovolts or more and (i) with more than ~~50~~ ten miles of its length in Minnesota, or (ii) any of its length in Minnesota and that crosses the state line; ~~or, any high voltage transmission line with a capacity of 300 kilovolts or more with more than 25 miles of its length in Minnesota;~~

(3) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil or their derivatives;

(4) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

(5) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

(6) any underground gas storage facility requiring permit pursuant to section 103I.681;

(7) any nuclear fuel processing or nuclear waste storage or disposal facility; and

(8) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 20. Minnesota Statutes 2000, section 216B.2421, is amended by adding a subdivision to read:

Subd. 4. [MODIFYING EXISTING LARGE ENERGY FACILITY.] Refurbishing or upgrading an existing large energy facility through the replacement or addition of facility components does not require a certificate of need under section 216B.243, unless the changes lead to (1) a capacity increase of more than 100 megawatts, or ten percent of existing capacity, whichever is greater, or (2) operation at more than 50 percent higher voltage.

Sec. 21. Minnesota Statutes 2000, section 216B.243, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE REQUIRED.] (a) Except as provided in paragraph (b), no large energy facility shall may be sited or constructed in Minnesota without the issuance of a certificate of need by the commission pursuant to sections 216C.05 to 216C.30 and this section and consistent with the criteria for assessment of need.

(b) Notwithstanding paragraph (a), a large energy facility that is a generation plant or a natural gas peaking facility not owned by a public or municipal utility or cooperative electric association and that is not to be included in the utility's or association's rate base does not need a certificate of need under this section.

Sec. 22. Minnesota Statutes 2000, section 216B.243, is amended by adding a subdivision to read:

Subd. 2a. [PUBLIC PURPOSE DESIGNATION.] (a) When filing for a certificate of need under this section, an applicant may also petition the commission to designate the proposed large energy facility a public purpose project. The commission shall approve or reject the petition at the same time the commission renders its decision under subdivision 5. Notwithstanding section 116C.63 or any other law to the contrary, eminent domain authority may not be used in constructing a large energy facility unless the commission designates the facility a public purpose project. The value paid for property in the exercise of eminent domain authority may be structured so as to provide for the payment of a portion of the revenue derived from the large energy facility over a period of years, rather than a lump sum payment at the time the property is taken.

(b) In deciding whether to designate a proposed large energy facility as a public purpose project, the commission shall consider whether the proposed facility:

(1) remedies a condition, or set of conditions, that materially limit the adequacy of electric supply, efficiency of electric service, or reliability of electric service to Minnesota consumers;

(2) was identified as a critical need by the relevant regional energy infrastructure planning group;

(3) is consistent with all relevant state goals and strategies approved by the legislature under section 216B.017; and

(4) is otherwise in the public interest.

Sec. 23. Minnesota Statutes 2000, section 216B.243, subdivision 3, is amended to read:

Subd. 3. [SHOWING REQUIRED FOR CONSTRUCTION.] ~~No (a) A~~ proposed large energy facility ~~shall~~ may ~~not~~ be certified for construction unless the applicant ~~can show that demand for electricity cannot be met more cost-effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need.~~

(b) In assessing need, the commission shall evaluate:

(1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

~~(2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;~~

~~(3) the relationship of the proposed facility to overall state and regional energy needs, as described in the most recent state energy policy and conservation report prepared under section 216C.18 including consideration of (i) the most recent state energy security blueprint under section 216B.015, (ii) the most recent relevant regional energy infrastructure planning group report under section 216B.019, and (iii) information from federal and regional reliability organizations, regional transmission organizations, and other relevant sources;~~

~~(4) promotional activities that may have given rise to the demand for this facility;~~

~~(5) socially beneficial uses of the output (3) environmental and socioeconomic benefits of this facility, including its uses to protect or enhance environmental quality, to increase reliability of energy supply in Minnesota and the region, and to induce future development;~~

~~(6) the effects of the facility in inducing future development;~~

~~(7) (4) possible alternatives for satisfying the energy demand or transmission needs including but not limited to potential for increased efficiency and upgrading of existing energy generation and transmission facilities, load management programs, and distributed generation;~~

~~(8) (5) the policies, rules, and regulations of other state and federal agencies and local governments; and~~

~~(9) any (6) feasible combination of energy conservation improvements, required under section 216B.241, sections 216C.05 to 216C.30, or other available conservation programs that can (i) reasonably replace a significant part or all of the energy to be provided by the proposed facility, and (ii) compete with it economically and in terms of reliability; and~~

(7) whether the proposed large energy facility was recommended for construction by the relevant regional energy infrastructure planning group.

Sec. 24. Minnesota Statutes 2000, section 216B.243, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR CERTIFICATE; HEARING.] Any person proposing to construct a large energy facility shall apply for a certificate of need prior to construction of the facility. The application shall be on forms and in a manner established by the commission. In reviewing each application the commission shall hold at least

one public hearing pursuant to chapter 14. The public hearing shall be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing shall be to obtain public opinion on the necessity of granting a certificate of need. The commission shall designate a commission employee whose duty shall be to facilitate citizen participation in the hearing process. If the commission and the environmental quality board determine that a joint hearing on siting and need under this subdivision and section 116C.57, subdivision 2d, is feasible, more efficient, and may further the public interest, a joint hearing under those subdivisions may be held.

Sec. 25. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes, section 116C.57, subdivision 6, as section 116C.57, subdivision 9.

Sec. 26. [REPEALER.]

Minnesota Statutes 2000, sections 116C.55; 116C.57, subdivisions 3, 5, and 5a; and 116C.67, are repealed.

Sec. 27. [EFFECTIVE DATES.]

This article is effective the day following final enactment, except that those provisions referring or relating to article 1, section 2 or 3, the independent reliability administrator or the state reliability plan, are effective July 1, 2002. Section 2 does not apply to any proposal for a transmission line between 100 and 200 kilovolts that is pending before a local unit of government as of February 1, 2001.

ARTICLE 3

REGULATORY FLEXIBILITY

Section 1. Minnesota Statutes 2000, section 216B.16, subdivision 7, is amended to read:

Subd. 7. [ENERGY COST ADJUSTMENT.] (a) Notwithstanding any other provision of this chapter, the commission may permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utility service in direct relation to changes in: (1) federally regulated wholesale rates for energy delivered through interstate facilities; (2) direct costs for natural gas delivered; or (3) costs for fuel used in generation of electricity or the manufacture of gas.

(b) In reviewing utility fuel purchases under this or any other provision, the commission shall allow and encourage a utility to have a combination of measures to manage price volatility and risk, including but not limited to having an appropriate share of the utility's supply come from long-term and medium-term contracts, in order to minimize consumer exposure to fuel price volatility.

Sec. 2. [216B.169] [RENEWABLE AND HIGH EFFICIENCY ENERGY RATE OPTIONS.]

(a) Each public utility, cooperative association, and municipal utility shall offer its customers and shall advertise the offer at least annually one or more options that allow a customer to determine that a certain amount of the electricity generated or purchased on behalf of the customer is (1) renewable energy as defined in section 216B.2422, subdivision 1, paragraph (c), or (2) high-efficiency, low-emissions, distributed generation such as fuel cells and microturbines fueled by a renewable fuel.

(b) Each public utility shall file an implementation plan within 90 days of the effective date of this section to implement paragraph (a).

(c) Rates charged to customers must be calculated using the utility's or association's cost of acquiring the energy for the customer and must be (1) the difference between the cost of generating or purchasing the renewable energy and the cost of generating or purchasing the same amount of nonrenewable energy; and (2) distributed on a per kilowatt-hour basis among all customers who choose to participate in the program. Implementation of these rate options may reflect a reasonable amount of lead time necessary to arrange acquisition of the energy.

(d) If a utility is not able to arrange an adequate supply of renewable or high-efficiency energy to meet its customers' demand under this section, the utility must file a report with the commission detailing its efforts and reasons for its failure.

(e) The commission, by order, may establish a program for tradeable credits for renewable energy under this section.

Sec. 3. Minnesota Statutes 2000, section 216B.241, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section and ~~section sections~~ 216B.16, subdivision 6b, and 216B.2411, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the public utilities commission.

(b) "Commissioner" means the commissioner of ~~public service commerce~~.

(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.

(d) "Department" means the department of ~~public service commerce~~.

(e) "Energy conservation improvement" means the purchase or installation of a device, method, material, or project that:

(1) reduces consumption of or increases efficiency in the use of electricity or natural gas, including but not limited to insulation and ventilation, storm or thermal doors or windows, caulking and weatherstripping, furnace efficiency modifications, thermostat or lighting controls, awnings, or systems to turn off or vary the delivery of energy;

(2) either (i) creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, or (ii) recovers energy for reuse, from air or water or other similar material, provided that the device or method conforms with national or state performance and quality standards whenever applicable;

(3) seeks to provide energy savings through reclamation or recycling and that is used as part of the infrastructure of an electric generation, transmission, or distribution system within the state or a natural gas distribution system within the state; or

(4) provides research or development of new means of increasing energy efficiency or conserving energy or research or development of improvement of existing means of increasing energy efficiency or conserving energy.

For a public utility, municipal utility, or cooperative electric association that elects to be governed by section 216B.2411, the difference between the amount required to be spent under that section and the amount that the utility would have spent under this section may be used (i) for purposes of making grants for the development of renewable energy facilities, such as those utilizing agricultural wastes as biomass fuel and methane digester facilities associated with livestock feedlots for the production of energy, and requiring the grants, to the extent feasible, to be coordinated with loans under the shared savings loan program established in section 17.115, and (ii) for the purchase or installation of a device, method, or project that increases a customer's ability to control the amount and scheduling of energy purchased from a utility, resulting in an overall decrease in energy consumption, through the innovative installation of high-efficiency on-site generation such as fuel cells or microturbines in combination with other conservation initiatives, or through other technologies to allow customers to manage their own load.

(f) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

(g) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than ~~20,000~~ 10,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

Sec. 4. Minnesota Statutes 2000, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. [INVESTMENT, EXPENDITURE, AND CONTRIBUTION; PUBLIC UTILITY.] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner ~~of the department of public service~~ pursuant to paragraph (b).

(b) The owner of a large electric customer facility may petition the ~~commissioner of the department of public service~~ commission to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to international or domestic competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. The commission may grant the petition, exempting both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to any percent of the retail revenues attributable to the facility the commission deems reasonable, upon a showing by the customer that it has implemented all energy conservation improvements with a seven-year payback or less, verified by a registered engineer or other individual as authorized by the commission. If a petition is filed on or before October 1 of any year, the order of the ~~commissioner~~ commission to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The ~~commissioner~~ commission shall not grant an exemption if the ~~commissioner~~ commission determines that granting the exemption is contrary to the public interest. The ~~commissioner~~ commission may, after investigation, rescind any exemption granted under this paragraph upon a determination that cost-effective energy conservation improvements are available at the large electric customer facility. For the purposes of this paragraph, "cost-effective" means that the projected total cost of the energy conservation improvement at the large electric customer facility is less than the projected present value of the energy and demand savings resulting from the energy conservation improvement. For the purposes of investigations by the ~~commissioner~~ commission under this paragraph, the owner of any large electric customer facility shall, upon request, provide the ~~commissioner~~ commission with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph.

~~(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions.~~

~~(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:~~

~~(1) not result in cost-effective energy conservation improvements; or~~

~~(2) otherwise decision is not be in the public interest.~~

~~(e) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may propose to the commissioner to designate that all or a portion of funds contributed to the account established in subdivision 2a be used for research and development projects. Contributions must be remitted to the commissioner of public service by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.~~

Sec. 5. Minnesota Statutes 2000, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. [CONSERVATION IMPROVEMENT BY COOPERATIVE ASSOCIATION OR MUNICIPALITY.] (a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility. Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to 15 percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative

electric association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services. However, each dollar spent on load management initiatives only counts for (1) \$0.65 in 2003, and (2) \$0.25 in 2004 and thereafter toward the utility's or association's conservation spending obligation under this section or section 216B.2411. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association.

(d) By February 1 of each year, each municipality or cooperative shall report to the commissioner its energy conservation improvement spending and investments with a brief analysis of effectiveness in reducing consumption of electricity or gas. The commissioner shall review each report and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. The commissioner shall also review each report for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income of less than 185 percent of the federal poverty level.

(e) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may propose to the commissioner to designate that all or a portion of funds contributed to the account be used for research and development projects. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year.

Sec. 6. Minnesota Statutes 2000, section 216B.241, subdivision 2, is amended to read:

Subd. 2. [PROGRAMS.] (a) ~~The commissioner~~ commission may by rule or order require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. ~~The commissioner shall require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting.~~ The commissioner commission shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. ~~The rules of the department under this section~~ must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) ~~The commissioner~~ commission may require a utility to make an energy conservation improvement investment or expenditure whenever the ~~commissioner~~ commission finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. ~~The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.~~ Load management may be used to meet the requirements for energy conservation improvements under this section if it results in a demonstrable reduction in consumption of energy. Each public utility subject to subdivision 1a may spend and invest annually up to 15 percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility. A public utility may not spend for or invest in energy conservation improvements that directly benefit a large electric customer facility for which the ~~commissioner~~ commission has issued an exemption pursuant to subdivision 1a, paragraph (b). ~~The commissioner~~ commission shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.

(c) No utility may make an energy conservation improvement under this section to a building envelope unless:

(1) it is the primary supplier of energy used for either space heating or cooling in the building;

(2) the ~~commissioner~~ commission determines that special circumstances, that would unduly restrict the availability of conservation programs, warrant otherwise; or

(3) the utility has been awarded a contract under subdivision 2a.

(d) The ~~commissioner~~ commission shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available.

~~(e) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.~~

Sec. 7. Minnesota Statutes 2000, section 216B.241, subdivision 2a, is amended to read:

Subd. 2a. ~~[ENERGY AND CONSERVATION ACCOUNT LOW-INCOME PERSONS.]~~ The commissioner must deposit money contributed under subdivisions 1a and 1b in the energy and conservation account in the general fund. Money in the account is appropriated to the department for programs designed to meet the energy conservation needs of low-income persons and to make energy conservation improvements in areas not adequately served under subdivision 2, including research and development projects included in the definition of energy conservation improvement in subdivision 1. Interest on money in the account accrues to the account. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner must, to the extent possible, allocate enough money to programs for low-income persons to assure that their needs are being adequately addressed. The commissioner must request the commissioner of finance to transfer money from the account to the commissioner of children, families, and learning for an energy conservation program for low-income persons. In establishing programs, the commissioner must consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, a municipality, or a cooperative electric association to implement its programs. The commissioner may provide grants to any person to conduct research and development projects in accordance with this section.

Sec. 8. Minnesota Statutes 2000, section 216B.241, is amended by adding a subdivision to read:

Subd. 6. [OVERVIEW; REVIEW AND AUDIT.] (a) For conservation activities under section 216B.241, each public utility shall provide the commission with a prospective overview of the utility's planned conservation activities and the anticipated energy savings on a biennial basis, according to a schedule established by the commission. This overview shall include a description of the types of activities, the consumer sectors targeted by each, and the anticipated energy savings and costs of each activity. This overview shall also indicate, for each type of activity, how much additional cost-effective conservation is likely to be achieved in subsequent years. In addition, each public utility shall provide a report biennially to the commission summarizing the public utility's actual conservation activities over the previous two years, including, for each activity, the utility's costs to the utility and to participating customers, the utility's expected total energy savings, the number of participating customers in each customer class and consumer sector, and the activity's potential for realizing additional cost-effective energy savings in the future.

(b) Each public utility shall provide a report biennially to the commission summarizing the public utility's conservation activities and energy savings resulting from those activities under either this section or section 216B.2411. The public utility shall include in the report the results of an independent audit performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commission. The commission shall issue a report comparing the overall effectiveness of the conservation programs in overall cost, success in reducing overall energy use, and energy saved per dollar spent.

(c) The audit provided under paragraph (b) shall evaluate whether the public utility has implemented cost-effective energy conservation programs. In making this evaluation, the audit shall consider whether the public utility's programs (1) fairly address each of the utility's consumer classes and market sectors, (2) use accurate data in calculating costs and energy savings, and (3) indicate an adequate commitment to implementing cost-effective conservation programs. Up to five percent of a utility's conservation spending obligation under this section or section 216B.2411 may be used for program pre-evaluation, research and testing, monitoring, and program evaluation.

(d) Following two or more negative evaluations under paragraph (b), the commission may determine that a public utility is not implementing adequate energy conservation programs under section 216B.2411. In that event, the commission may order the utility or association to commit an appropriate amount of its conservation spending obligations under those sections to providing conservation programs under section 216B.241.

Sec. 9. Minnesota Statutes 2000, section 216B.241, is amended by adding a subdivision to read:

Subd. 7. [ADDITIONAL CONSERVATION SPENDING.] (a) Nothing in this section or section 216B.2411 prohibits any energy utility from spending or investing more for energy conservation improvements than is required in those sections.

(b) The commission may require a public utility to invest or spend more than is required under this section or section 216B.2411 if the commission finds that additional investments would be cost effective, and the utility's most recent forecast projects a significant peak demand deficit.

Sec. 10. [216B.2411] [CONSERVATION INVESTMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] The definitions in section 216B.241 apply to this section.

Subd. 2. [INVESTMENTS.] (a) A public utility, municipality, or cooperative electric association may elect to be governed by this section rather than section 216B.241, by notifying the commission of its election. However, section 216B.241, subdivisions 1a, paragraph (b); 1b, paragraph (c); and 2b, apply to conservation investments made under this section.

(b) Each entity that elects to be governed by this section shall spend and invest for energy conservation improvements the following amounts:

(1) for a public utility that furnishes gas service, 0.75 percent of the utility's annual average gross operating revenues over the previous five years from service provided in this state;

(2) for a cooperative electric association that provides electricity at retail or a public utility that furnishes electric service, two percent of the utility's or association's annual average gross operating revenues over the previous five years from service provided in this state;

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, three percent of the utility's annual average gross operating revenues over the previous five years from service provided in this state; and

(4) for a municipality, 0.75 percent of the utility's annual average gross operating revenues over the previous five years from the sale of gas and 1.5 percent of the utility's annual average gross operating revenues over the previous five years from the sale of electricity not purchased from a public utility or a cooperative electric association governed by this subdivision over its five-year conservation spending average.

For purposes of this paragraph, "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner pursuant to section 216B.241, subdivision 1a, paragraph (b). Entities electing to be governed by this section shall comply with section 216B.241, subdivision 6.

Sec. 11. [216B.401] [UTILITY JOINT VENTURES.]

Subdivision 1. [AUTHORIZATION.] Public utilities, cooperative electric associations, and municipal utilities may enter into joint ventures with one another for providing utility services within the boundaries of each member utility's exclusive electric service territory, as shown on the map of service territories maintained by the department of commerce. The terms and conditions of each proposed joint venture are subject to ratification by the governing body of each member municipal utility and cooperative association and, if a public utility is a member of the proposed joint venture, the commission. A joint venture may include the formation of a corporate entity with an administrative and governance structure independent of any of the member utilities. A corporate entity formed under this section is subject to all laws and rules applicable to the respective members of the joint venture.

Subd. 2. [POWERS.] (a) The joint venture formed under this section, if any, has the powers, privileges, responsibilities, and duties of the separate utilities entering into the joint venture as the joint venture agreement may provide; except that, upon formation of the joint venture, neither the joint venture nor any member municipal utility has the power of eminent domain or the authority under section 216B.44 to enlarge the service territory served by the joint venture.

(b) These powers include, but are not limited to, the authority to:

(1) finance, own, construct, and operate facilities necessary for providing electric power to wholesale or retail customers, including generation, transmission, and distribution facilities;

(2) combine service territories, in whole or in part, upon notice and hearing to do so with the public utilities commission;

(3) serve customers in the two utilities' service territories or in the combined service territory;

(4) combine, share, or employ administrative, managerial, operational, or other staff if combining or sharing will not degrade safety, reliability, or customer service standards;

(5) provide for joint administrative functions, such as meter reading and billing;

(6) purchase or sell power at wholesale for resale to customers;

(7) as required by law or rule, provide energy conservation programs, other utility programs, public interest programs such as cold weather shutoff protection, and energy conservation spending programs; and

(8) participate as the parties deem necessary in providing wholesale electric power with other municipal utilities, rural electric cooperative utilities, investor-owned utilities, or other entities, public or private.

Sec. 12. Minnesota Statutes 2000, section 216B.42, subdivision 1, is amended to read:

Subdivision 1. [LARGE CUSTOMER ~~OUTSIDE MUNICIPALITY~~ ELECTION.] (a) Notwithstanding the establishment of assigned service areas for electric utilities provided for in section 216B.39, customers: (1) located outside municipalities and who require electric service with a connected load of 2,000 kilowatts or more shall not

be obligated to take electric service from the electric utility having the assigned service area where the customer is located; or (ii) who require electric service with a connected load of 5,000 kilowatts or more shall not be obligated to take power supply service from the electric utility having the assigned service area where the customer is located, if, after notice and hearing, the commission, for a public utility, or the governing body of a municipal utility or cooperative electric association, so determines after consideration of following factors:

- (1) the electric service requirements of the load to be served;
- (2) the availability of an adequate power supply;
- (3) the development or improvement of the electric system of the utility seeking to provide the electric service, including the economic factors relating thereto;
- (4) the proximity of adequate facilities from which electric service of the type required may be delivered;
- (5) the preference of the customer;
- (6) any and all pertinent factors affecting the ability of the utility to furnish adequate electric service to fulfill customers' requirements.

(b) The commission or governing body may not grant a petition under this section unless it makes a specific finding that there is clear and convincing evidence that doing so would not increase costs for, or otherwise harm, any of the customers of the utility currently serving the customer or, in the case of a municipal power agency or a generation and transmission cooperative electric association, any of the customers of a member utility. If the commission or governing body grants a petition under paragraph (a), item (ii), it shall impose all terms and conditions on the approval that are necessary to protect consumers, utilities, and utility systems. For the purposes of this section, "power supply services" means the provision of electric power supply to an end-use customer. Power supply services includes a service relating to the usage, purchase, or sale of electric capacity and energy, but does not include the operation of generation facilities, or distribution or transmission services.

Sec. 13. [CONSERVATION IMPROVEMENT PLAN; EVALUATION OF COOPERATIVE AND MUNICIPAL PROGRAMS.]

(a) Cooperative electric association and municipal utilities shall evaluate their energy and capacity conservation programs, develop plans for future programs, and report their findings and plans to the chairs of the house of representatives and senate committees with jurisdiction over energy issues by February 15, 2002. The evaluation shall address:

- (1) whether the utility or association has implemented and is implementing cost-effective energy conservation programs;
- (2) the availability of basic conservation services and programs to customers;
- (3) methodologies that best quantify energy savings, cost effectiveness, and the potential for cost-effective conservation improvements;
- (4) the value of local administration of conservation programs in meeting local and statewide needs;
- (5) the effect on customer bills;
- (6) the role of capacity conservation in meeting utility planning needs and state energy goals;
- (7) the ability of energy conservation programs to avoid the need for construction of generation facilities and transmission lines;

(8) whether the utility's or association's programs address all of the following consumer market sectors: farm, residential, commercial, and industrial; and

(9) whether the utility's or association's programs use accurate and auditable data in calculating costs and energy savings.

(b) The evaluation shall develop program and performance goals that recognize customer class, utility service area demographics, cost of program delivery, regional economic indicators, and utility load shape. The cost of the evaluation may be deducted from the utility's or association's conservation spending obligation under section 216B.241 or 216B.2411.

ARTICLE 4

INTERCONNECTION OF DISTRIBUTED RESOURCES

Section 1. [216B.68] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The words and terms used in sections 216B.68 to 216B.75 have the meanings given them in this section.

Subd. 2. [APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION.] "Application for interconnection and parallel operation" with the utility system or application means a standard form of application developed by the commissioner and approved by the commission.

Subd. 3. [COMPANY.] "Company" means an electric utility operating a distribution system.

Subd. 4. [ELECTRIC UTILITY.] "Electric utility" means all electric utilities that own and operate equipment in the state for furnishing electric service at retail.

Subd. 5. [CUSTOMER.] "Customer" means any individual person or entity interconnected to the company's utility system for the purpose of receiving or exporting electric power from or to the company's utility system.

Subd. 6. [DISTRIBUTED GENERATION OR ON-SITE DISTRIBUTED GENERATION.] "Distributed generation" or "on-site distributed generation" means an electrical generating facility located at a customer's point of delivery or point of common coupling of 20 megawatts or less and connected at a voltage less than or equal to 60 kilovolts that may be connected in parallel operation to the utility system.

Subd. 7. [FACILITY.] "Facility" means an electrical generating installation consisting of one or more on-site distributed generation units. The total capacity of a facility's individual on-site distributed generation units may exceed 20 megawatts; however, no more than 20 megawatts of a facility's capacity will be interconnected at any point in time at the point of common coupling under this section.

Subd. 8. [INTERCONNECTION.] "Interconnection" means the physical connection of distributed generation to the utility system in accordance with the requirements of this section so that parallel operation can occur.

Subd. 9. [INTERCONNECTION AGREEMENT.] "Interconnection agreement" means the standard form of agreement, developed and approved by the commission. The interconnection agreement sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system.

Subd. 10. [INVERTER-BASED PROTECTIVE FUNCTION.] "Inverter-based protective function" means a function of an inverter system, carried out using hardware and software, that is designed to prevent unsafe operating conditions from occurring before, during, and after the interconnection of an inverter-based static power converter unit with a utility system. For purposes of this definition, unsafe operating conditions are conditions that, if left

uncorrected, would result in harm to personnel, damage to equipment, unacceptable system instability, or operation outside legally established parameters affecting the quality of service to other customers connected to the utility system.

Subd. 11. [NETWORK SERVICE.] "Network service" means two or more utility primary distribution feeder sources electrically tied together on the secondary side, which is the low-voltage side, to form one power source for one or more customers. The service is designed to maintain service to the customers even after the loss of one of these primary distribution feeder sources.

Subd. 12. [PARALLEL OPERATION.] "Parallel operation" means the operation of on-site distributed generation by a customer while the customer is connected to the company's utility system.

Subd. 13. [POINT OF COMMON COUPLING.] "Point of common coupling" means the point where the electrical conductors of the company utility system are connected to the customer's conductors and where any transfer of electric power between the customer and the utility system takes place, such as switchgear near the meter.

Subd. 14. [PRECERTIFIED EQUIPMENT.] "Precertified equipment" means a specific generating and protective equipment system or systems that have been certified as meeting the applicable parts of this section relating to safety and reliability by an entity approved by the commission.

Subd. 15. [PRE-INTERCONNECTION STUDY.] "Pre-interconnection study" means a study or studies that may be undertaken by a company in response to its receipt of a completed application for interconnection and parallel operation with the utility system. Pre-interconnection studies may include, but are not limited to, service studies, coordination studies, and utility system impact studies.

Subd. 16. [STABILIZED.] "Stabilized" means that, following a disturbance, a company utility system has returned to the normal range of voltage and frequency for a duration of two minutes or a shorter time as mutually agreed to by the company and customer.

Subd. 17. [TARIFF OR TARIFF FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION.] "Tariff" or "Tariff for interconnection and parallel operation of distributed generation" means the commission-developed and commission-approved tariff for interconnection and parallel operation of distributed generation, including the application for interconnection and parallel operation of distributed generation and pre-interconnection study fee schedule.

Subd. 18. [UNIT.] "Unit" means a power generator.

Subd. 19. [UTILITY SYSTEM.] "Utility system" means a company's distribution system below 60 kilovolts to which the generation equipment is interconnected.

Sec. 2. [216B.69] [INTERCONNECTION OF ON-SITE DISTRIBUTED GENERATION.]

Subdivision 1. [PURPOSE.] The purpose of sections 216B.68 to 216B.75 is to state the terms and conditions that govern the interconnection and parallel operation of on-site distributed generation to provide cost savings and reliability benefits to customers, to establish technical requirements that will promote the safe and reliable parallel operation of on-site distributed generation resources, to enhance both the reliability of electric service and economic efficiency in the production and consumption of electricity, and to promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints.

Subd. 2. [OBLIGATION TO SERVE; TARIFF AND OTHER FILINGS.] (a) No later than 270 days after the effective date of this section, each electric utility shall file tariffs for interconnection and parallel operation of distributed generation in conformance with sections 216B.68 to 216B.75. The electric utility may file a new tariff or a modification of an existing tariff. These tariffs must ensure that backup power, supplemental power, and

maintenance power are available to all customers and customer classes that desire this service. Any modifications of existing tariffs or offerings of new tariffs relating to this section must be consistent with the commission-approved form.

(b) Concurrent with the tariff filing in this section, each utility shall submit:

(1) a schedule detailing the charges of interconnection studies and all supporting cost data for the charges;

(2) a standard application for interconnection and parallel operation of distributed generation; and

(3) the interconnection agreement approved by the commission.

Sec. 3. [216B.70] [DISCONNECTION AND RECONNECTION.]

Subdivision 1. [WHEN DISCONNECTION ALLOWED.] A utility may disconnect a distributed generation unit from the utility system if:

(1) the interconnection agreement with a customer expires or terminates, in accordance with the terms of the agreement;

(2) the facility is not in compliance with the technical requirements specified by the commissioner;

(3) continued interconnection will endanger persons or property; or

(4) written notice is provided at least seven business days prior to a service interruption for routine maintenance, repairs, and utility system modifications.

Subd. 2. [INCREMENTAL DEMAND CHARGES.] During the term of an interconnection agreement, a utility may require that a customer disconnect its distributed generation unit or take it off-line as a result of utility system conditions. The company may not assess the customer incremental demand charges arising from disconnecting the distributed generator as directed by the company during these periods.

Sec. 4. [216B.71] [PRE-INTERCONNECTION STUDIES FOR NONNETWORK INTERCONNECTION OF DISTRIBUTED GENERATION.]

Subdivision 1. [STUDIES.] A utility may conduct a service study, coordination study, or utility system impact study prior to interconnection of a distributed generation facility. When a study is deemed necessary, the scope of the study must be based on the characteristics of the particular distributed generation facility to be interconnected and the utility's system at the specific proposed location. By agreement between the utility and its customer, a study related to interconnection of distributed generation on the customer's premises may be conducted by a qualified third party.

Subd. 2. [CUSTOMER FEE.] (a) A utility may not charge a customer a fee to conduct a pre-interconnection study for precertified distributed generation units up to 500 kilowatts that export not more than 15 percent of the total load on a single radial feeder and contribute not more than 25 percent of the maximum potential short circuit current on a single radial feeder.

(b) Prior to the interconnection of a distributed generation facility not described in paragraph (a), a utility may charge a customer a fee to offset its costs incurred in the conduct of a pre-interconnection study.

Subd. 3. [WHEN UTILITY CONDUCTS STUDY.] When a utility conducts an interconnection study, paragraphs (a) to (d) apply:

(a) The conduct of the pre-interconnection study may not take more than four weeks.

(b) A utility shall prepare written reports of the study findings and make them available to the customer.

(c) The study must consider both the costs incurred and the benefits realized as a result of the interconnection of distributed generation to the company's utility system.

(d) The utility shall provide the customer with an estimate of the study cost before the utility initiates the study.

Sec. 5. [216B.72] [PRE-INTERCONNECTION STUDIES FOR NETWORK INTERCONNECTION OF DISTRIBUTED GENERATION.]

Subdivision 1. [NOTICE AND FEES.] (a) Prior to charging a pre-interconnection study fee for a network interconnection of distributed generation, a utility shall first advise the customer of the potential problems associated with interconnection of distributed generation with its network system.

(b) For potential interconnections to network systems, a pre-interconnection study fee may not be assessed for a facility with inverter systems under 20 kilowatts. For all other facilities, the utility may charge the customer a fee to offset its costs incurred in the conduct of the pre-interconnection study.

Subd. 2. [REQUIREMENTS WHEN UTILITY CONDUCTS STUDY.] When a utility conducts an interconnection study, paragraphs (a) to (d) apply:

(a) The conduct of a pre-interconnection study may not take more than four weeks.

(b) A utility shall prepare written reports of the study findings and make them available to the customer.

(c) The study must consider both the costs incurred and the benefits realized as a result of the interconnection of distributed generation to the utility's system.

(d) The utility shall provide the customer with an estimate of the study cost before the utility initiates the study.

Sec. 6. [216B.73] [EQUIPMENT PRECERTIFICATION.] (a) The commission may approve one or more entities that shall precertify equipment as described under this section.

(b) Testing organizations or facilities capable of analyzing the function, control, and protective systems of distributed generation units may request to be certified as testing organizations.

(c) Distributed generation units that are certified to be in compliance by an approved testing facility or organization must be installed on a company utility system in accordance with an approved interconnection control and protection scheme without further review of their design by the utility.

Sec. 7. [216B.74] [TIME FOR PROCESSING APPLICATIONS FOR INTERCONNECTION.]

(a) The interconnection of distributed generation to the utility system must take place within the schedules described in paragraphs (b) to (f):

(b) For a facility with precertified equipment, interconnection must take place within four weeks of the utility's receipt of a completed interconnection application.

(c) For facilities without precertified equipment, connection must take place within six weeks of the utility's receipt of a completed application.

(d) If interconnection of a particular facility will require substantial capital upgrades to the utility system, the company shall provide the customer an estimate of the schedule and the customer's cost for the upgrade. If the customer desires to proceed with the upgrade, the customer and the company shall enter into a contract for the

completion of the upgrade. The interconnection must take place no later than two weeks following the completion of the upgrade. The utility shall employ best reasonable efforts to complete the system upgrade in the shortest time reasonably practical.

(e) A utility shall use best reasonable efforts to interconnect facilities within the time frames described in this section. If in a particular instance, a utility determines that it cannot interconnect a facility within the time frames stated in this section, it must notify the applicant in writing of that fact. The notification must identify any reasons interconnection could not be performed in accordance with the schedule and provide an estimated date for interconnection.

(f) Applications for interconnection and parallel operation of distributed generation must be processed by the utility in a nondiscriminatory manner and in the order that they are received. It is recognized that certain applications may require minor modifications while they are being reviewed by the utility. These minor modifications to a pending application do not require that it be considered incomplete and treated as a new or separate application.

Sec. 8. [216B.75] [REPORTING REQUIREMENTS.]

(a) Each electric utility shall maintain records concerning applications received for interconnection and parallel operation of distributed generation. The records must include the date each application is received, documents generated in the course of processing each application, correspondence regarding each application, and the final disposition of each application.

(b) By March 30 of each year, every electric utility shall file with the commission a distributed generation interconnection report for the preceding calendar year that identifies each distributed generation facility interconnected with the utility's distribution system. The report must list the new distributed generation facilities interconnected with the system since the previous year's report, any distributed generation facilities no longer interconnected with the utility's system since the previous report, the capacity of each facility, and the feeder or other point on the company's utility system where the facility is connected. The annual report must also identify all applications for interconnection received during the previous one-year period, and the disposition of the applications.

ARTICLE 5

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2000, section 116C.61, subdivision 1, is amended to read:

Subdivision 1. ~~[REGIONAL, COUNTY AND LOCAL ORDINANCES, RULES, REGULATIONS; PRIMARY RESPONSIBILITY AND REGULATION OF SITE DESIGNATION, IMPROVEMENT, AND USE.]~~ To assure the paramount and controlling effect of the provisions herein this section over other state agencies; regional, county, and local governments; and special purpose government districts, the issuance of a certificate of site compatibility permit or transmission line construction route permit and subsequent purchase and use of such site or route locations for large electric power generating plant and high voltage transmission line purposes ~~shall be~~ is the sole site approval required to be obtained by the utility. ~~Such certificate or The permit shall supersede~~ supersedes and ~~preempt all preempts any~~ zoning, building, or land use rules, regulations, or ordinances promulgated by any regional, county, local, and special purpose government.

Sec. 2. Minnesota Statutes 2000, section 116C.62, is amended to read:

116C.62 [IMPROVEMENT OF SITES AND ROUTES.]

Utilities ~~which~~ that have acquired a site or route in accordance with sections 116C.51 to 116C.69 may proceed to construct or improve the site or route for the intended purposes at any time, subject to section 116C.61, subdivision 2; ~~provided that, if the construction and improvement commences more than~~ has not commenced within

four years after a ~~certificate or~~ permit for the site or route has been issued, then the utility must certify to the board that the site or route continues to meet the conditions upon which the certificate of site compatibility or transmission line construction permit was issued.

Sec. 3. Minnesota Statutes 2000, section 116C.64, is amended to read:

116C.64 [FAILURE TO ACT.]

If the board fails to act within the times specified in section 116C.57, the applicant or any affected utility person may seek an order of the district court requiring the board to designate or refuse to designate a site or route.

Sec. 4. Minnesota Statutes 2000, section 116C.645, is amended to read:

116C.645 [REVOCATION OR SUSPENSION.]

A site ~~certificate permit or construction route~~ permit may be revoked or suspended by the board after adequate notice of the alleged grounds for revocation or suspension and a full and fair hearing in which the affected utility has an opportunity to confront any witness and respond to any evidence against it and to present rebuttal or mitigating evidence upon a finding by the board of:

(1) any false statement knowingly made in the application or in accompanying statements or studies required of the applicant, if a true statement would have warranted a change in the board's findings;

(2) failure to comply with material conditions of the site certificate or construction permit, or failure to maintain health and safety standards; or

(3) any material violation of the provisions of sections 116C.51 to 116C.69, any rule ~~promulgated pursuant thereto~~ adopted under these sections, or any order of the board.

Sec. 5. Minnesota Statutes 2000, section 116C.65, is amended to read:

116C.65 [JUDICIAL REVIEW.]

Any utility applicant, party, or person aggrieved by the issuance of a ~~certificate site or route permit~~ or emergency certificate of site compatibility or transmission line construction permit from the board or a certification of continuing suitability filed by a utility with the board or by a final order in accordance with any rules ~~promulgated~~ adopted by the board, may appeal to the court of appeals in accordance with chapter 14. The appeal ~~shall~~ must be filed within 60 days after the publication in the State Register of notice of the issuance of the certificate or permit by the board or certification filed with the board or the filing of any final order by the board.

Sec. 6. Minnesota Statutes 2000, section 116C.66, is amended to read:

116C.66 [RULES.]

(a) The board, in order to give effect to the purposes of sections 116C.51 to 116C.69, ~~shall prior to July 1, 1978,~~ may adopt rules consistent with sections 116C.51 to 116C.69, including ~~promulgation~~ adoption of site and route designation criteria; the description of the information to be furnished by the utilities; establishment of minimum guidelines for public participation in the development, revision, and enforcement of any rule, plan, or program established by the board; procedures for the revocation or suspension of a construction permit or a certificate of site compatibility; the procedure and timeliness for proposing alternative routes and sites; and route exemption criteria and procedures.

~~No~~ (b) A rule adopted by the board ~~shall~~ may not grant priority to state-owned wildlife management areas over agricultural lands in the designation of route-avoidance areas.

(c) The provisions of chapter 14 ~~shall~~ apply to the appeal of rules adopted by the board to the same extent as it applies to the review of rules adopted by any other agency of state government.

(d) The chief administrative law judge shall, ~~prior to January 1, 1978,~~ adopt procedural rules for public hearings relating to the site and route designation process and to the route exemption process. The rules ~~shall~~ must attempt to maximize citizen participation in these processes.

Sec. 7. Minnesota Statutes 2000, section 116C.69, is amended to read:

116C.69 [~~BIENNIAL REPORT; APPLICATION FEES; APPROPRIATION; FUNDING.~~]

Subdivision 1. [~~BIENNIAL REPORT.~~] Before November 15 of each even-numbered year the board shall prepare and submit to the legislature a report of its operations, activities, findings, and recommendations concerning sections 116C.51 to 116C.69. The report shall also contain information on the board's biennial expenditures, its proposed budget for the following biennium, and the amounts paid in ~~certificate and permit application fees pursuant to subdivisions 2 and 2a~~ and in assessments pursuant to ~~subdivision 3~~ section 116C.69. The proposed budget for the following biennium ~~shall be~~ is subject to legislative review.

Subd. 2. [~~SITE APPLICATION FEE.~~] Every applicant for a site ~~certificate~~ permit shall pay to the board a fee in an amount equal to \$500 for each \$1,000,000 of production plant investment in the proposed installation as defined in the Federal Power Commission Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. The applicant shall pay within 30 days of notification any additional fees reasonably necessary for completion of the site evaluation and designation process by the board. ~~In no event shall~~ The total fees required of the applicant under this subdivision must never exceed an amount equal to 0.001 of ~~said the~~ production plant investment ~~(, which equals \$1,000 for each \$1,000,000)~~. All money received ~~pursuant to~~ under this subdivision ~~shall~~ must be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing applications for ~~certificates~~ site permits in accordance with sections 116C.51 to 116C.69 and ~~in the event,~~ if the expenses are less than the fee paid, to refund the excess to the applicant.

Subd. 2a. [~~ROUTE APPLICATION FEE.~~] Every applicant for a transmission line ~~construction~~ route permit shall pay to the board a base fee of \$35,000 plus a fee in an amount equal to \$1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. ~~In the event~~ if the actual cost of processing an application up to the board's final decision to designate a route exceeds ~~the above~~ this fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to \$500 per mile length of the longest proposed route. All money received ~~pursuant to~~ under this subdivision ~~shall~~ must be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing applications for ~~construction~~ route permits in accordance with sections 116C.51 to 116C.69 and ~~in the event,~~ if the expenses are less than the fee paid, to refund the excess to the applicant.

Subd. 3. [~~FUNDING; ASSESSMENT.~~] (a) The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site ~~certificates~~ and ~~construction~~ route permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

(b) Each share ~~shall~~ must be determined as follows:

(1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667; plus

(2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board.

(c) The assessment ~~shall~~ must be credited to the special revenue fund and ~~shall be~~ paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of ~~said~~ the assessment and its demand of payment ~~thereof~~.

(d) The total amount ~~which that~~ may be assessed to the several utilities under the authority of this subdivision ~~shall~~ may not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision.

(e) The assessment for the second quarter of each fiscal year ~~shall~~ must be adjusted to compensate for the amount by which actual expenditures by the board for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 8. Minnesota Statutes 2000, section 216B.03, is amended to read:

216B.03 [REASONABLE RATE.]

(a) Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, ~~shall~~ must be just and reasonable. Rates ~~shall~~ must not be unreasonably preferential; ~~or~~ unreasonably prejudicial or discriminatory, but ~~shall~~ must be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, 216B.2411, and 216C.05. Any doubt as to reasonableness should be resolved in favor of the consumer.

(b) For rate-making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

Sec. 9. Minnesota Statutes 2000, section 216B.16, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] Unless the commission otherwise orders, no public utility shall change a rate ~~which that~~ has been duly established under this chapter, except upon 60 days' notice to the commission. The notice ~~shall~~ must include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect. ~~If the filing utility does not have an approved conservation improvement plan on file with the department of public service, it shall also include in its notice an energy conservation plan pursuant to section 216B.241.~~ The filing utility shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes ~~shall~~ must be shown by filing new schedules or ~~shall~~ be plainly indicated upon schedules on file and in force at the time.

Sec. 10. Minnesota Statutes 2000, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. [ENERGY CONSERVATION IMPROVEMENT.] (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph (e), incurred in connection with energy conservation improvements ~~shall~~ under either section 216B.241 or 216B.2411 must be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) After December 31, 1999, investments and expenses for energy conservation improvements ~~shall~~ must not be included by the commission in the determination of just and reasonable electric and gas rates for retail electric and gas service provided to large electric customer facilities that have been exempted by the commissioner ~~of the department of public service~~ pursuant to section 216B.241, subdivision 1a, paragraph (b). However, ~~no~~ a public utility ~~shall~~ may not be prevented from recovering its investment in energy conservation improvements from all customers that were made on or before December 31, 1999, in compliance with the requirements of section 216B.241.

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements under either section 216B.241 or 216B.2411. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the differing minimum spending requirements of section 216B.241, subdivision 1a. After December 31, 1999, the commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric and gas rates applicable to large electric customer facilities that have been exempted by the commissioner ~~of the department of public service~~ pursuant to section 216B.241, subdivision 1a, paragraph (b), by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities required on or before December 31, 1999. ~~In the event that~~ If the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, 1999.

Sec. 11. Minnesota Statutes 2000, section 216B.16, subdivision 6c, is amended to read:

Subd. 6c. [INCENTIVE PLAN FOR ENERGY CONSERVATION IMPROVEMENT.] (a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation expenditures and savings under either section 216B.241 or 216B.2411. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.

(b) In approving incentive plans, the commission shall consider:

- (1) whether the plan is likely to increase utility investment in cost-effective energy conservation;
- (2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;
- (3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation; and
- (4) whether the plan is in conflict with other provisions of this chapter.

(c) The commission may set rates to encourage the vigorous and effective implementation of utility conservation programs. The commission may:

- (1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in conserving energy;
- (2) share between ratepayers and utilities the net savings resulting from energy conservation programs to the extent justified by the utility's skill, efforts, and success in conserving energy; and
- (3) compensate the utility for earnings lost as a result of its conservation programs.

Sec. 12. Minnesota Statutes 2000, section 216B.162, subdivision 8, is amended to read:

Subd. 8. [ENERGY EFFICIENCY IMPROVEMENT; EXPENSE RECOVERY.] If the commission approves a competitive rate or the parties agree to a modified rate, the commission may require the electric utility to provide the customer with an energy audit and assist in implementing cost-effective energy efficiency improvements to assure that the customer's use of electricity is efficient. An investment in cost-effective energy conservation improvements required under this section must be treated as an energy conservation improvement program and included in the ~~department's~~ determination of significant investments under section 216B.241 or 216B.2411. The utility shall recover energy conservation improvement expenses in a rate proceeding under section 216B.16 or 216B.17 in the same manner as the commission authorizes for the recovery of conservation expenditures made under section 216B.241 or 216B.2411.

Sec. 13. Minnesota Statutes 2000, section 216B.1621, subdivision 2, is amended to read:

Subd. 2. [COMMISSION APPROVAL.] (a) The commission shall approve an agreement under this section upon finding that:

(1) the proposed electric service power generation facility could reasonably be expected to qualify for a market value exclusion under section 272.0211;

(2) the public utility has a contractual option to purchase electric power from the proposed facility; and

(3) the public utility can use the output from the proposed facility to meet its future need for power as demonstrated in the most recent resource plan filed with and approved by the commission ~~under section 216B.2422.~~

(b) Sections 216B.03, 216B.05, 216B.06, 216B.07, 216B.16, 216B.162, and 216B.23 do not apply to an agreement under this section.

Sec. 14. Minnesota Statutes 2000, section 216B.164, subdivision 4, is amended to read:

Subd. 4. [PURCHASES; WHEELING; COSTS.] (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having 40-kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility shall be paid the utility's full avoided capacity and energy costs as negotiated by the parties, as set by the commission, or as determined through competitive bidding approved by the commission. The full avoided capacity and energy costs to be paid a qualifying facility that generates electric power by means of a renewable energy source are the utility's least cost renewable energy facility or the bid of a competing supplier of a least cost renewable energy facility, whichever is lower, unless the ~~commission's resource plan order, under section 216B.2422, subdivision 2, provides~~ commission determines that the use of a renewable resource to meet the identified capacity need is not in the public interest.

(c) For all qualifying facilities having 30-kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

(d) The commission shall set rates for electricity generated by renewable energy.

Sec. 15. Minnesota Statutes 2000, section 216B.2423, subdivision 2, is amended to read:

Subd. 2. [RESOURCE PLANNING MANDATE.] The public utilities commission shall order a public utility subject to subdivision 1, to construct and operate, purchase, or contract to purchase an additional 400 megawatts of electric energy installed capacity generated by wind energy conversion systems by December 31, 2002, subject to any resource planning and least cost planning requirements ~~in section 216B.2422.~~

Sec. 16. Minnesota Statutes 2000, section 216C.17, subdivision 3, is amended to read:

Subd. 3. [DUPLICATION.] The commissioner shall, to the maximum extent feasible, provide that forecasts required under this section be consistent with material required by other state and federal agencies in order to prevent unnecessary duplication. Electric utilities submitting advance forecasts as part of an integrated resource plan filed pursuant to ~~section 216B.2422~~ and public utilities commission rules are excluded from the annual reporting requirement in subdivision 2.

Sec. 17. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes, section 116C.69, subdivision 1, as Minnesota Statutes, section 116C.681.

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2000, section 216A.03, subdivision 3a, is amended to read:

Subd. 3a. [POWERS AND DUTIES OF CHAIR.] The chair ~~shall be~~ is the principal executive officer of the commission and shall preside at meetings of the commission. The responsibilities of the chair shall organize include:

- (1) organizing the work of the commission and may make;
- (2) making assignments to commission members, appoint committees and give as appropriate;
- (3) appointing subcommittees;
- (4) giving direction to the commission staff through the executive secretary subject to the approval of the commission;
- (5) supervising the work of the executive secretary; and
- (6) in coordination with the executive secretary, participating in employment and termination decisions, including representing the commission in grievance proceedings; addressing employee complaints and grievances; developing and implementing the agency budget; testifying before legislative committees and working with legislators as requested; determining agency-wide training needs and initiatives; implementing computer technology updates; administering and implementing relations with the department of commerce, the office of the attorney general, and other agencies; and developing and implementing strategies for the commission to adapt to rapid changes in the industries the commission oversees.

Sec. 2. Minnesota Statutes 2000, section 216B.095, is amended to read:

216B.095 [DISCONNECTION DURING COLD WEATHER.]

The commission shall amend its rules governing disconnection of residential utility customers who are unable to pay for utility service during cold weather to include the following:

- (1) coverage of customers whose household income is less than ~~185 percent of the federal poverty level~~ 50 percent of the state median income;
- (2) a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill, whichever is less, in a cold weather month cannot be disconnected during that month;
- (3) that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;
- (4) ~~that a customer's household income does not include any amount received for energy assistance;~~

~~(5)~~ (4) verification of income by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1); ~~and~~

~~(6)~~ (5) a requirement that the customer receive, ~~from the local energy assistance provider or other entity~~, budget counseling and referral referrals to energy assistance programs, weatherization, conservation, or other programs likely to reduce the customer's ~~consumption of energy bills~~;

(6) a requirement that customers who have demonstrated an inability to pay on forms for such purposes provided by the utility, and who make reasonably timely payments to the utility under a payment plan that considers the financial resources of the household, cannot be disconnected from utility services from October 15 to April 15. A customer who is receiving energy assistance is deemed to have demonstrated an inability to pay.

For the purpose of clause (2), the "customer's income" means the actual monthly income of the customer except ~~for a customer who is normally employed only on a seasonal basis and whose annual income is over 135 percent of the federal poverty level, in which case the customer's income is~~ or the average monthly income of the customer computed on an annual calendar year basis, whichever is less, and does not include any amount received for energy assistance.

Sec. 3. Minnesota Statutes 2000, section 216B.097, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION; NOTICE TO RESIDENTIAL CUSTOMER.] (a) A municipal utility or a cooperative electric association must not disconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit when the following conditions are met:

~~(1) the disconnection would occur during the period between October 15 and April 15;~~

~~(2)~~ (1) the customer has declared inability to pay on forms provided by the utility. For the purpose of this clause, a customer that is receiving energy assistance is deemed to have demonstrated an inability to pay;

~~(3)~~ (2) the household income of the customer is less than ~~185 percent of the federal poverty level, as documented by the customer to the utility; and~~ 50 percent of the state median income;

(3) verification of income may be conducted by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (2);

~~(4) the customer's~~ a customer whose account is current for the billing period immediately prior to October 15 or the customer has entered enters into a payment schedule that considers the financial resources of the household and is reasonably current with payments under the schedule; and

(5) the customer receives referrals to energy assistance programs, and weatherization, conservation, or other programs to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 of each year, notify all residential customers of the provisions of this section.

Sec. 4. [216B.098] [CUSTOMER PROTECTIONS.]

Subdivision 1. [APPLICABILITY.] This section applies to residential customers of public utilities, municipal utilities, and cooperative electric associations.

Subd. 2. [BUDGET BILLING PLANS.] A utility shall offer a customer a budget billing plan for payment of charges for service, including adequate notice to customers prior to changing budget payment amounts. Municipal utilities having 3,000 or fewer customers are exempt from this requirement. Municipal utilities having more than 3,000 customers shall implement this requirement within two years of the effective date of this chapter.

Subd. 3. [PAYMENT AGREEMENTS.] A utility shall offer a payment agreement for the payment of arrears.

Subd. 4. [UNDERCHARGES.] A utility shall offer a payment agreement to customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement must cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the customer and the utility. No interest or delinquency fee may be charged under this agreement.

Subd. 5. [MEDICALLY NECESSARY EQUIPMENT.] A utility shall reconnect or continue service to a customer's residence where a medical emergency exists or where medical equipment requiring electricity is necessary to sustain life is in use, provided that the utility receives from a medical doctor written certification, or initial certification by telephone and written certification within five business days, that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household. The customer must enter into a payment agreement.

Subd. 6. [COMMISSION AUTHORITY.] The commission, or staff designated by the commission, has the authority to order resolutions of disputes involving alleged violations of this chapter or any other disputes involving public utilities coming within its jurisdiction.

Sec. 5. [216B.79] [PREVENTATIVE MAINTENANCE.]

(a) The commission has the authority to ensure that public utilities are making adequate infrastructure investments and undertaking sufficient preventative maintenance with regard to such facilities.

(b) The commission may make appropriate adjustments in a utility's rates, or make a recommendation to the Federal Energy Regulatory Commission to make an appropriate adjustment in a utility's allowed rate of return on those utilities' transmission facilities, to offset the costs of such construction.

Sec. 6. Minnesota Statutes 2000, section 216C.41, is amended to read:

216C.41 [RENEWABLE ENERGY PRODUCTION INCENTIVE.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) either (i) begins generating electricity after July 1, 1994; or (ii) is generating electricity as of June 30, 2001, and undergoes substantial refurbishing after that date, to be completed by December 31, 2005.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after June 30, 1997, and before July 1, 1999;

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

- (i) located within one county and owned by a natural person who owns the land where the facility is sited;
 - (ii) owned by a Minnesota small business as defined in section 645.445;
 - (iii) owned by a nonprofit organization; or
 - (iv) owned by a tribal council if the facility is located within the boundaries of the reservation; or
- (3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:
- (i) is owned by a cooperative organized under chapter 308A; and
 - (ii) all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where the wind energy production facilities of the cooperative are located.

Subd. 2. [INCENTIVE PAYMENT.] (a) Incentive payments shall be made according to this section to the owner or operator of a qualified hydropower facility or qualified wind energy conversion facility for electric energy generated and sold by the facility or, except as provided in paragraph (b) for a publicly owned hydropower facility, for electric energy that is generated by the facility and used by the owner of the facility outside the facility.

(b) For a facility that is publicly owned and in need of substantial refurbishment and repair, the incentive payment shall be made to the public owner of the facility to finance structural repairs and replacement of structural components.

(c) Payment may only be made upon receipt by the commissioner of finance of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application shall be in a form and submitted at a time the commissioner establishes. There is annually appropriated from the general fund sums sufficient to make the payments required under this section.

Subd. 3. [ELIGIBILITY WINDOW.] Payments may be made under this section only for electricity generated:

(1) from a qualified hydroelectric facility that is operational and generating electricity before December 31, 2001, or that undergoes substantial refurbishing after June 30, 2001, to be completed by December 31, 2005; or

(2) from a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2005.

Subd. 4. [PAYMENT PERIOD.] A facility may receive payments under this section for a ten-year period. No payment under this section may be made for electricity generated:

(1) by a qualified hydroelectric facility after December 31, 2010, or December 31, 2015, if the facility undergoes substantial refurbishing after June 30, 2001; or

(2) by a qualified wind energy conversion facility after December 31, 2015.

The payment period begins and runs consecutively from the first year in which electricity generated from the facility is eligible for incentive payment.

Subd. 5. [AMOUNT OF PAYMENT.] (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The amount of the payment is 1.5 cents per kilowatt hour. For electricity generated by qualified wind energy conversion facilities, the incentive payment under this section is limited to no more than 100 megawatts of nameplate capacity. During any period in which qualifying claims for incentive payments exceed 100 megawatts of nameplate capacity, the payments must be made to producers in the order in which the production capacity was brought into production.

(b) Beginning July 1, 2001, a qualified wind energy conversion facility defined under subdivision 1, paragraph (c), clause (1), (2), or (3), may not be located within five miles of another qualified wind energy conversion facility constructed within the same calendar year and owned by the same person. For the purposes of this paragraph, the department shall determine that the same person owns two qualified wind energy conversion facilities when the underlying ownership structure contains similar persons or entities, other than a person or entity that provides equity financing, even if the ownership shares differ between the facilities.

Subd. 6. [OWNERSHIP; FINANCING; CURE.] (a) For the purposes of subdivision 1, paragraph (c), clause (2), a wind energy conversion facility qualifies if it is owned at least 51 percent by one or more of any combination of the entities listed in that clause.

(b) A subsequent owner of a qualified facility may continue to receive the incentive payment for the duration of the original payment period if the subsequent owner qualifies for the incentive under subdivision 1.

(c) Nothing in this section may be construed to deny incentive payment to an otherwise qualified facility that has obtained debt or equity financing for construction or operation as long as the ownership requirements of subdivision 1 and this subdivision are met. If, during the incentive payment period for a qualified facility, the owner of the facility is in default of a lending agreement and the lender takes possession of and operates the facility and makes reasonable efforts to transfer ownership of the facility to an entity other than the lender, the lender may continue to receive the incentive payment for electricity generated and sold by the facility for a period not to exceed 18 months. A lender who takes possession of a facility shall notify the commissioner immediately on taking possession and, at least quarterly, document efforts to transfer ownership of the facility.

(d) If, during the incentive payment period, a qualified facility loses the right to receive the incentive because of changes in ownership, the facility may regain the right to receive the incentive upon cure of the ownership structure that resulted in the loss of eligibility and may reapply for the incentive, but in no case may the payment period be extended beyond the original ten-year limit.

(e) A subsequent or requalifying owner under paragraph (b) or (d) retains the facility's original priority order for incentive payments as long as the ownership structure requalifies within two years from the date the facility became unqualified or two years from the date a lender takes possession of the facility.

Sec. 7. [REPEALER.]

(a) Minnesota Statutes 2000, sections 216B.241, subdivision 1c, and 216C.18, are repealed.

(b) Minnesota Statutes 2000, section 216B.2422, subdivisions 2 and 6, are repealed September 1, 2002.

Sec. 8. [EFFECTIVE DATE.]

Articles 3 to 6 are effective the day following final enactment, except that those provisions referring or relating to article 1, section 2 or 3, the independent reliability administrator or the state reliability plan, are effective July 1, 2002.

ARTICLE 7

SAFETY AND SERVICE STANDARDS

Section 1. [216B.81] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in this article have the meanings given them in this section.

Subd. 2. [AVERAGE NUMBER OF CUSTOMERS SERVED.] "Average number of customers served" means the number of active, metered, customer accounts available in a utility's interruption-reporting database on the day that an interruption occurs.

Subd. 3. [CIRCUIT.] "Circuit" means a set of conductors serving customer loads that are capable of being separated from the serving substation automatically by a recloser, fuse, sectionalizing equipment, and other devices.

Subd. 4. [COMPONENT.] "Component" means a piece of equipment, a line, a section of line, or a group of items that is an entity for purposes of reporting, analyzing, and predicting interruptions.

Subd. 5. [CUSTOMER.] "Customer" means a contiguous electrical service location, regardless of the number of meters at the location.

Subd. 6. [CUSTOMER INTERRUPTION.] "Customer interruption" means the loss of service due to a forced outage for more than five minutes, for one or more customers, which is the result of one or more component failures.

Subd. 7. [CUSTOMERS' INTERRUPTIONS CAUSED BY POWER RESTORATION PROCESS.] "Customers' interruptions caused by power restoration process" means when customers lose power as a result of the process of restoring power. The duration of these outages is included in the customer-minutes of interruption. Only the customers affected by the power restoration outages that were not affected by the original outage are added to the number of customer interruptions.

Subd. 8. [CUSTOMER-MINUTES OF INTERRUPTION.] "Customer-minutes of interruption" means the number of minutes of forced outage duration multiplied by the number of customers affected.

Subd. 9. [ELECTRIC DISTRIBUTION LINE.] "Electric distribution line" means circuits operating at less than 40,000 volts.

Subd. 10. [FORCED OUTAGE.] "Forced outage" means an outage that cannot be deferred.

Subd. 11. [MAJOR CATASTROPHIC EVENTS.] "Major catastrophic events" means events that are beyond the utility's control that result in widespread system damages causing customer interruptions that affect at least ten percent of the customers in the system or in an operating area or that result in customers being without electric service for durations of at least 24 hours.

Subd. 12. [MAJOR STORM.] "Major storm" means a period of severe adverse weather resulting in widespread system damage causing customer interruptions that affect at least ten percent of the customers on the system or in an operating area or that result in customers being without electric service for durations of at least 24 hours.

Subd. 13. [MOMENTARY INTERRUPTION.] "Momentary interruption" means an interruption of electric service with a duration shorter than the time necessary to be classified as a customer interruption.

Subd. 14. [OPERATING AREA.] "Operating area" means a geographical subdivision of each electric utility's service territory that functions under the direction of a company office and may be used for reporting interruptions under this article. These areas may also be referred to as regions, divisions, or districts.

Subd. 15. [OUTAGE.] "Outage" means the failure of a power system component that results in one or more customer interruptions.

Subd. 16. [OUTAGE DURATION.] "Outage duration" means the one minute or greater period from the initiation of an interruption to a customer until service has been restored to that customer.

Subd. 17. [PARTIAL CIRCUIT OUTAGE CUSTOMER COUNT.] "Partial circuit outage customer count" means when only part of a circuit experiences an outage, the number of customers affected is estimated, unless an actual count is available. When power is partially restored, the number of customers restored is also estimated. Most utilities use estimates based on the portion of the circuit restored.

Subd. 18. [PLANNED OUTAGES.] "Planned outages" means those outages scheduled by the utility. These interruptions are sometimes necessary to connect new customers or perform maintenance activities safely. They must not be included in the calculation of reliability indexes.

Subd. 19. [RELIABILITY.] "Reliability" means the degree to which electric service is supplied without interruption.

Subd. 20. [RELIABILITY INDEXES.] "Reliability indexes" include the following performance indices for measuring frequency and duration of service interruptions:

(a) The system average interruption frequency index is the average number of interruptions per customer per year. It is determined by dividing the total annual number of customer interruptions by the average number of customers served during the year.

(b) The system average interruption duration index is the average customer-minutes of interruption per customer. It is determined by dividing the annual sum of customer-minutes of interruption by the average number of customers served during the year.

(c) The customer average interruption duration index is the average customer-minutes of interruption per customer interruption. It approximates the average length of time required to complete service restoration. It is determined by dividing the annual sum of all customer-minutes of interruption durations by the annual number of customer interruptions.

Sec. 2. [216B.82] [RECORDING SERVICE INTERRUPTION INDEXES.]

Subdivision 1. [SYSTEM INTERRUPTION DATA.] Each electric utility with 6,000 retail customers or more shall keep a record of the necessary interruption data and calculate the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index of its system, and of each operating area, if applicable, at the end of each calendar year for the previous 12-month period.

Subd. 2. [CIRCUIT INTERRUPTION DATA.] Unless a utility uses alternative criteria as provided in section 216B.83, subdivision 2, paragraph (d), each utility also shall, at the end of each calendar year, calculate the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index for each circuit in each operating area. Each circuit in each operating area must then be listed in order separately according to its system average interruption frequency index, its system average interruption duration index, and its customer average interruption duration index, beginning with the highest values for each index.

Sec. 3. [216B.83] [ANNUAL REPORT.]

Subdivision 1. [SUMMARY REPORT GENERALLY.] Beginning on July 1, 2002, and by July 1 of every year thereafter, each electric utility with 6,000 retail customers or more shall file with the commission, or in the case of a cooperative electric association or municipal utility, with the local governing body of the utility or association a

report summarizing various measures of reliability. The form of the report is subject to review and comment by the commission staff. Names and numbers used to identify operating areas or individual circuits may conform to the utility's practice, but should allow ready identification of the geographic location or the general area served. Electronic recording and reporting of the required data and information is encouraged.

Subd. 2. [INFORMATION REQUIRED.] (a) The report must include at least the information described in paragraphs (b) to (h).

(b) The report must provide an overall assessment of the reliability of performance including the aggregate system average interruption frequency index, system average interruption duration index, and customer average interruption duration index by system and each operating area, as applicable.

(c) The report must include a list of the worst performing circuits based on system average interruption frequency index, system average interruption duration index, and customer average interruption duration index for the calendar year. This portion of the report must describe the actions that the utility has taken or will take to remedy the conditions responsible for each listed circuit's unacceptable performance. The actions taken or planned should be briefly described. Target dates for corrective actions must be included in the report. When the utility determines that actions on its part are unwarranted, its report shall provide adequate justification for that conclusion.

(d) Utilities that use or prefer alternative criteria for measuring individual circuit performance to those described in paragraphs (b) and (c) and that are required by this section to submit an annual report of reliability data, shall submit their alternative listing of circuits along with the criteria used to rank circuit performance.

(e) Information must be included with respect to any report on the accomplishment of the improvements proposed in prior reports for which completion has not been previously reported.

(f) The report must describe any new reliability or power quality programs and changes that are made to existing programs.

(g) It must include a status report of any long-range electric distribution plans.

(h) In addition to the information included in paragraph (b), each utility that has the technical capability and administrative resources shall report the following additional service quality information:

(1) route miles of electric distribution line reconstructed during the year, with separate totals for single- and three-phase circuits provided;

(2) total route miles of electric distribution line in service at year's end, segregated by voltage level;

(3) monthly average speed of answer for telephone calls received regarding emergencies;

(4) the average number of calendar days a utility takes to install and energize service to a customer site once it is ready to receive service, with a separate average calculated for each month, including all extensions energized during the calendar month;

(5) the total number of written and telephone customer complaints received in the areas of safety, outages, power quality, customer property damage, and other areas, by month filed;

(6) total annual tree-trimming budget and actual expenses; and

(7) total annual projected and actual miles of tree-trimmed distribution line.

Sec. 4. [216B.84] [INITIAL HISTORICAL RELIABILITY PERFORMANCE REPORT.]

(a) Each electric utility with 6,000 retail customers or more that has historically used measures of system, operating area, and circuit reliability performance shall initially submit annual system average interruption frequency index, system average interruption duration index, and customer average interruption duration index data for the previous three years. Those utilities that have this data for some time period less than three years shall submit data for those years it is available.

(b) Those utilities whose historical reliability performance data is similar or related to those measures listed in paragraph (a), but differs due to how the parameters are defined or calculated, shall submit the data it has and explain any material differences from the prescribed indices. After the effective date of this section, utilities shall modify their reliability performance measures to conform to those specified in sections 216B.80 to 216B.86 for purposes of consistent reporting of comparable data in the future.

Sec. 5. [216B.85] [INTERRUPTIONS OF SERVICE; RECORDS; NOTICE.]

Subdivision 1. [RECORDS.] (a) Each utility shall keep records of all interruptions to service affecting the entire distribution system of any single community or an important division of a community, and include in the records each interruption's location, date and time, and duration; the approximate number of customers affected; the circuit or circuits involved; and, when known, the cause of each interruption.

(b) When complete distribution systems or portions of communities have service furnished from unattended stations, these records must be kept to the extent practicable. The record of unattended stations shall show interruptions that require attention to restore service, with the estimated time of interruption. Breaker or fuse operations affecting service should also be indicated even though duration of interruption may not be known.

Subd. 2. [NOTICE OF INTERRUPTIONS OF BULK POWER SUPPLY FACILITIES.] (a) Each utility owning or operating bulk power supply facilities shall record any event described in clauses (1) to (5) involving any generating unit or electric facilities operating at a nominal voltage of 69 kilovolts or higher, and shall make such records available to the commission semi-annually or upon request of the commission:

(1) any interruption or loss of service to customers for 15 minutes or more to aggregate firm loads in excess of 200,000 kilowatts;

(2) any interruption or loss of service to customers for 15 minutes or more to aggregate firm loads exceeding the lesser of 100,000 kilowatts or one-half of the current annual system peak load and not required recorded under clause (1);

(3) any decision to issue a public request for reduction in use of electricity;

(4) an action to reduce firm customer loads by reduction of voltage for reasons of maintaining adequacy of bulk electric power supply; and

(5) any action to reduce firm customer loads by manual switching, operation of automatic load-shedding devices, or any other means for reasons of maintaining adequacy of bulk electric power supply.

Subd. 3. [NOTICE OF OTHER INTERRUPTIONS OF POWER.] Each utility shall record service interruptions of 60 minutes or more to an entire distribution substation bus or entire feeder serving either 500 or more customers or entire cities or villages having 200 or more customers.

Subd. 4. [INFORMATION REQUIRED.] The written records required in subdivisions 2 and 3 must include the date, time, duration, general location, approximate number of customers affected, identification of circuit or circuits involved, and, when known, the cause of the interruption. When extensive interruptions occur, as from a storm, a narrative record including the extent of the interruptions and system damage, estimated number of customers

affected, and a list of entire communities interrupted may be recorded in lieu of records of individual interruptions. When customer service interruptions are necessary, the utility shall make reasonable efforts to notify affected customers in advance.

Sec. 6. [216B.86] [CUSTOMERS' COMPLAINTS.]

Each utility shall keep a record of complaints received by it from its customers in regard to safety or service, and the operation of its system, with appropriate response times designated for critical safety and monetary loss situations and shall investigate if appropriate. The record must show the name and address of the complainant, the date and nature of the complaint, the priority assigned to the assistance, and its disposition and the time and date of its disposition.

Sec. 7. [216B.87] [STANDARDS FOR DISTRIBUTION UTILITIES.]

(a) The commission and each cooperative electric association and municipal utility shall adopt standards for safety, reliability, and service quality for distribution utilities. Standards for cooperative electric associations and municipal utilities should be as consistent as possible with the commission standards.

(b) Reliability standards must be based on the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index measurement indices. Service quality standards must specify, if technically and administratively feasible:

- (1) average call center response time;
- (2) customer disconnection rate;
- (3) meter-reading frequency;
- (4) complaint resolution response time; and
- (5) service extension request response time.

(c) Minimum performance standards developed under this section must treat similarly situated distribution systems similarly and recognize differing characteristics of system design and hardware.

(d) Electric distribution utilities shall comply with all applicable governmental and industry standards required for the safety, design, construction and operation of electric distribution facilities, including section 326.243."

Delete the title and insert:

"A bill for an act relating to energy; enacting the Minnesota Energy Security and Reliability Act; requiring an energy security blueprint and a state reliability plan; providing for essential energy infrastructure; eliminating the requirement for individual utility plans; creating an independent reliability administrator; modifying provisions for siting, routing, and determining the need for large electric power facilities; regulating conservation expenditures by energy utilities and eliminating state pre-approval of conservation plans by public utilities; encouraging regulatory flexibility in supplying and obtaining energy; regulating interconnection of distributed utility resources; providing for safety and service standards from distribution utilities; clarifying the state cold weather disconnection requirements; making technical, conforming, and clarifying changes; amending Minnesota Statutes 2000, sections 116.07, subdivision 4a; 116C.52, subdivision 4; 116C.53, subdivision 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivision 1; 116C.60; 116C.61, subdivision 1; 116C.62; 116C.64; 116C.645; 116C.65; 116C.66; 116C.69; 216A.03, subdivision 3a; 216B.03; 216B.095; 216B.097, subdivision 1; 216B.16, subdivisions 1, 6b, 6c, 7, by adding a subdivision; 216B.162, subdivision 8; 216B.1621, subdivision 2; 216B.164, subdivision 4; 216B.241, subdivisions 1, 1a, 1b, 2, 2a, by adding subdivisions; 216B.2421, subdivision 2, by adding

a subdivision; 216B.2423, subdivision 2; 216B.243, subdivisions 2, 3, 4, by adding a subdivision; 216B.42, subdivision 1; 216C.17, subdivision 3; 216C.41; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; repealing Minnesota Statutes 2000, sections 116C.55; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.241, subdivision 1c; 216B.2422, subdivisions 2, 6; 216C.18."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 667, A bill for an act relating to state government; modifying certain procedures relating to administrative rules; amending Minnesota Statutes 2000, sections 14.05, subdivision 6; 14.116; 14.18, subdivision 1; 14.19; proposing coding for new law in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 2000, section 14.05, subdivision 4; Laws 1999, chapter 129, section 6.

Reported the same back with the following amendments:

Page 1, line 25, after the period, insert "The governor may not veto a rule or portion of a rule promulgated by a constitutional officer."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Wolf from the Committee on Regulated Industries to which was referred:

H. F. No. 673, A bill for an act relating to public safety; increasing allowable maximum fee for 911 emergency telephone services; allowing for payment of certain costs of local governments relating to the installation of certain signs or markers; amending Minnesota Statutes 2000, sections 403.11, subdivision 1; and 403.113, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 36, delete "and"

Page 3, line 1, delete "section 403.11" and insert ", taking into account the amount of the fee established in section 403.113, subdivision 1."

Page 3, after line 6, insert:

"Sec. 2. Minnesota Statutes 2000, section 403.113, subdivision 1, is amended to read:

Subdivision 1. [FEE.] (a) In addition to the actual fee assessed under section 403.11, each customer receiving local telephone service, including cellular or other nonwire service, is assessed a fee to fund implementation and maintenance of enhanced 911 service, including acquisition of necessary equipment and the costs of the commissioner to administer the program. The enhanced fee collected from cellular or other nonwire service customers must be collected effective in July 1997 billings. Effective July 1, 2001, the enhanced fee must be 20 cents

a month assessed on the same basis as the fee under section 403.11. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (b).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner of the department of administration, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee and inform telephone companies or communications carriers that provide service capable of originating a 911 emergency telephone call of the total amount of the 911 service fees in the same manner as provided in section 403.11."

Page 3, line 7, delete "2" and insert "3"

Page 3, line 27, reinstate the stricken "and"

Page 3, lines 31 to 33, delete the new language

Page 4, line 1, delete the new language

Page 4, lines 4 to 7, reinstate the stricken language

Page 4, after line 7, insert:

"Sec. 4. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "signs or markers" and insert "making clarifying changes"

Page 1, line 8, delete "subdivision" and insert "subdivisions 1 and"

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

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 729, A bill for an act relating to health; establishing a nursing grant program for persons of color; modifying the summer health care interns program; modifying a nursing loan forgiveness program; establishing a rural nursing scholarship program and school nurse loan forgiveness program; providing rate increases to certain nursing facilities; establishing a community health care planning program; requiring a study; appropriating

money; amending Minnesota Statutes 2000, sections 144.1464, subdivisions 1, 2, and 3; 144.1496, subdivision 3; and 256B.431, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; and 145.

Reported the same back with the following amendments:

Pages 1 to 3, delete section 1 and insert:

"Section 1. [136A.147] [GRANTS FOR ECONOMICALLY DISADVANTAGED NURSING STUDENTS.]

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education services office to provide grants to economically disadvantaged students who are entering or enrolled in an educational program that leads to licensure as a registered nurse or in a program of advanced nursing education.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

(1) a citizen of the United States or permanent resident of the United States;

(2) a resident of the state of Minnesota;

(3) economically disadvantaged;

(4) entering or enrolled in a nursing program in Minnesota that leads to licensure as a registered nurse, a baccalaureate degree in nursing, or a master's degree in nursing or in a program of advanced nursing education; and

(5) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled.

(b) The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each school, college, or program of nursing offering course work that leads to licensure as a registered nurse and that wishes to participate in the student nursing grant program shall apply to the higher education services office for grant money, according to policies established by the office. A school, college, or program of nursing selected to participate in the program under subdivision 4 shall establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Each grant must be for a minimum of \$3,000 but must not exceed \$5,000. Each school, college, or program of nursing selected to participate in the program shall agree that the money awarded through the grant program must not be used to replace any other grant or scholarship money for which the student would otherwise be eligible.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION SERVICES OFFICE.] (a) The higher education services office shall annually select up to three schools, colleges, or programs of nursing to participate in the student nursing grant program. The office shall establish an application process for interested schools, colleges, or programs of nursing. Of the nursing programs selected to participate, at least one must be located in the seven-county metropolitan area and one must be located outside of the seven-county metropolitan area.

(b) In selecting nursing programs to participate in the student nursing grant program and in evaluating program effectiveness, the office shall use the following criteria:

(1) the extent to which the nursing program will use the grant program as a recruitment tool to increase enrollment by economically disadvantaged students;

- (2) the intent of the nursing program to publicize the availability of financial assistance under the grant program;
- (3) the commitment of the nursing program to provide assistance to retain students once they are admitted to a nursing program;
- (4) the commitment of the nursing program to recruit applicants from high schools that serve the highest numbers of economically disadvantaged students;
- (5) the commitment of the nursing program to develop and support disadvantaged student enrichment programs;
- (6) the commitment of the nursing program to examine traditional policies, curriculum, and teaching strategies to determine if they are inclusive of diverse cultures; and
- (7) the commitment of the nursing program to provide faculty and student mentors.
- (c) The office may establish an advisory committee that includes representatives of communities with a large number of economically disadvantaged students and representatives of the academic community to assist the office in choosing nursing programs to participate in the grant program.
- (d) The office may grant each nursing program selected to participate in the grant program up to \$30,000 per year for administrative costs related to the grant program, including recruitment, publicity, retention assistance, and other administrative costs.
- (e) The higher education services office shall distribute money each year to Minnesota schools, colleges, or programs of nursing selected to participate in the grant program. Money not used by a recipient nursing program must be returned to the higher education services office for redistribution under this section to other participating recipient nursing programs."

Page 9, line 13, delete everything before "shortages"

Page 9, line 14, delete everything after "personnel" and insert a period

Page 9, delete lines 15 to 18

Pages 9 and 10, delete section 9

Page 10, delete lines 30 to 32

Page 10, line 33, delete "(b)" and insert "(a)"

Page 10, line 35, delete "8 and 10" and insert "9"

Page 10, line 36, delete "(c)" and insert "(b)"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "persons of color" and insert "economically disadvantaged students"

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete "facilities;"

Page 1, line 11, after the semicolon, insert "and"

Page 1, line 12, delete everything after the first semicolon

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 781, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; creating the constitutional office of commissioner of agriculture; amending Minnesota Statutes 2000, sections 10A.25, subdivision 2; 15.01; and 15.06, subdivision 1; repealing Minnesota Statutes 2000, section 17.01.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 828, A bill for an act relating to Hennepin county; authorizing disaster volunteer leave; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sykora from the Committee on Family and Early Childhood Education Finance to which was referred:

H. F. No. 880, A bill for an act relating to libraries; authorizing additional levy for independent school district No. 319, Nashwauk-Keewatin.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 886, A bill for an act relating to health; requiring the commissioner of health to annually establish an immunization schedule for persons enrolled in an elementary or secondary school, child care facility, or public or private post-secondary educational institutions; establishing a task force; amending Minnesota Statutes 2000, sections 121A.15, subdivisions 1, 2, 3, 4, 8, 9, and by adding subdivisions; and 135A.14, subdivisions 2 and 3; repealing Minnesota Statutes 2000, section 121A.15, subdivisions 6 and 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 121A.15, subdivision 1, is amended to read:

Subdivision 1. Except as provided in ~~subdivisions~~ subdivision 3, 4, and 10, no person over two months old may be allowed to enroll or remain enrolled in any elementary or secondary school or child care facility in this state until the person has submitted to the administrator ~~or other person having general control and supervision~~ of the school or child care facility, ~~one of the following statements:~~

~~(1) a statement from a physician health care provider with prescribing authority, a board of health as defined in section 145A.02, subdivision 2, or a public clinic which provides immunizations stating that the person has received immunization, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, diphtheria, tetanus, pertussis, polio, mumps, haemophilus influenza type b, and hepatitis B; or~~

~~(2) a statement from a physician or a public clinic which provides immunizations stating that the person has received immunizations, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, mumps, and haemophilus influenza type b and that the person has commenced a schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B and which indicates the month and year of each immunization received is age-appropriately immunized or is in the process of being age-appropriately immunized against diseases in compliance with the immunization schedule established by the commissioner of health according to subdivision 1a.~~

Sec. 2. Minnesota Statutes 2000, section 121A.15, is amended by adding a subdivision to read:

Subd. 1a. [IMMUNIZATIONS REQUIRED; ANNUAL DETERMINATION.] (a) Using the procedures established under subdivision 1c, the commissioner of health shall annually determine the immunizations required and the manner and frequency of their administration to the persons specified in subdivision 1 and to the persons specified in section 135A.14, subdivision 2. The commissioner of health shall not include an immunization on the immunization schedule unless the immunization is part of the current immunization recommendations of each of the following organizations: the United States Public Health Service's Advisory Committee on Immunization Practices, the American Academy of Family Physicians, and the American Academy of Pediatrics. In annually determining the immunization schedule, the commissioner of health shall:

(1) consult with the immunization practices task force created according to subdivision 12; the commissioner of children, families, and learning; the commissioner of human services; the chancellor of the Minnesota state colleges and universities; and the president of the University of Minnesota; and

(2) consider the following criteria: the epidemiology of the disease, the morbidity and mortality rates for the disease, the safety and efficacy of the vaccine, the cost of a vaccination program, the cost of enforcing vaccination requirements, and a cost-benefit analysis of vaccination.

(b) In addition to the publication requirements of subdivision 1c, the commissioner of health shall inform all immunization providers of any changes in the immunization schedule in a timely manner.

(c) After such reasonable efforts as the circumstances allow to facilitate the consultation requirements in paragraph (a), clause (1), the commissioner of health may modify the immunization schedule at any time during the year when necessary to address a vaccine shortage or an emergency situation. In modifying the immunization schedule under this paragraph, the commissioner of health is exempt from the rules procedure in subdivision 1c.

Sec. 3. Minnesota Statutes 2000, section 121A.15, is amended by adding a subdivision to read:

Subd. 1b. [RULEMAKING EXEMPTION.] The commissioner of health is exempt from chapter 14, including section 14.386, in implementing this section.

Sec. 4. Minnesota Statutes 2000, section 121A.15, is amended by adding a subdivision to read:

Subd 1c. [RULES PROCEDURE.] (a) The commissioner of health shall publish proposed immunization rules in the State Register.

(b) Interested parties shall have 30 days to comment in writing on the proposed rules. After the commissioner of health has considered all timely comments, the commissioner of health shall publish notice in the State Register that the rules have been adopted. The rules shall take effect on the 31st day after publication.

(c) If the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules that differ from the proposed rules shall be included in the notice of adoption together with a citation to the prior State Register that contained the notice of the proposed rules.

Sec. 5. Minnesota Statutes 2000, section 121A.15, is amended by adding a subdivision to read:

Subd. 1d. [TRANSITION PROVISION.] (a) During calendar year 2002, until the schedule under subdivision 1a becomes effective, the statement requirement under subdivision 1 is satisfied by one of the following:

(1) a statement from a health care provider with prescribing authority, a board of health, or a public clinic that provides immunizations stating that the person has received immunizations, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, diphtheria, tetanus, pertussis, polio, mumps, haemophilus influenza type b, and hepatitis B; or

(2) a statement from a health care provider with prescribing authority, a board of health, or a public clinic that provides immunizations stating that the person has received immunizations, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, mumps, and haemophilus influenza type b and that the person is in the process of being age-appropriately immunized for diphtheria, tetanus, pertussis, polio, and hepatitis B.

(b) The statement must indicate the month, day, and year of each immunization received.

Sec. 6. Minnesota Statutes 2000, section 121A.15, subdivision 2, is amended to read:

Subd. 2. [SCHEDULE OF IMMUNIZATIONS.] No person who has commenced a ~~treatment~~ schedule of ~~immunization~~ immunizations pursuant to subdivision 1, ~~clause (2)~~; may remain enrolled in any child care facility; ~~in this state after 18 months, nor in any~~ elementary; or secondary school in this state after ~~18~~ eight months of ~~enrollment after the first day of attendance~~ unless there is submitted to the administrator, ~~or other person having general control and supervision of the school or child care facility~~; a statement from a ~~physician~~ health care provider with prescribing authority, a board of health, or a public clinic which provides immunizations that the person has completed the primary schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B established by the commissioner of health under subdivision 1a. The statement must include the month and year, and for immunizations administered after January 1, 1990, the day of each ~~additional~~ immunization received. ~~For a child less than seven years of age, a primary schedule of immunizations shall consist of four doses of vaccine for diphtheria, tetanus, and pertussis and three doses of vaccine for poliomyelitis and hepatitis B. For a child seven years of age or older, a primary schedule of immunizations shall consist of three doses of vaccine for diphtheria, tetanus, polio, and hepatitis B.~~

Sec. 7. Minnesota Statutes 2000, section 121A.15, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS FROM IMMUNIZATIONS.] (a) If a person is at least seven years old and has not been immunized against pertussis, the person must not be required to be immunized against pertussis.

~~(b) If a person is at least 18 years old and has not completed a series of immunizations against poliomyelitis, the person must not be required to be immunized against poliomyelitis.~~

~~(c) If a statement, signed by a physician health care provider with prescribing authority, is submitted to the administrator ~~or other person having general control and supervision~~ of the school or child care facility stating that an immunization is contraindicated for medical reasons or that laboratory confirmation of the presence of adequate immunity exists, the immunization specified in the statement need not be required.~~

~~(d) (b) If a notarized statement signed by the minor child's parent or guardian, or by the emancipated person a minor who meets the requirements of section 144.341 or 144.342, is submitted to the administrator ~~or other person having general control and supervision~~ of the school or child care facility stating that the person has not been immunized as prescribed in subdivision 1 because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person, the immunizations specified in the statement shall not be required. This statement must also be forwarded to the commissioner of ~~the department of~~ health.~~

~~(e) If the person is under 15 months, the person is not required to be immunized against measles, rubella, or mumps.~~

~~(f) If a person is at least five years old and has not been immunized against haemophilus influenza type b, the person is not required to be immunized against haemophilus influenza type b.~~

Sec. 8. Minnesota Statutes 2000, section 121A.15, subdivision 4, is amended to read:

Subd. 4. [SUBSTITUTE IMMUNIZATION STATEMENT.] ~~(a)~~ A person who is enrolling or enrolled in an elementary or secondary school or child care facility may substitute a statement from the ~~emancipated person~~ minor who meets the requirements of section 144.341 or 144.342 or a ~~the~~ minor child's parent or guardian ~~if the person is a minor child~~ in lieu of the statement from a physician health care provider with prescribing authority, board of health, or public clinic which provides immunizations. If the statement is from a parent or guardian or emancipated person, the statement must indicate the month and year and, for immunizations administered after January 1, 1990, the day of each immunization given.

~~(b) In order for the statement to be acceptable for a person who is enrolling in an elementary school and who is six years of age or younger, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than four doses of vaccine for poliomyelitis, unless the third dose was given after the fourth birthday, then three doses are minimum; no less than five doses of vaccine for diphtheria, tetanus, and pertussis, unless the fourth dose was given after the fourth birthday, then four doses are minimum; and no less than three doses of vaccine for hepatitis B.~~

~~(c) In order for the statement to be consistent with subdivision 10 and acceptable for a person who is enrolling in an elementary or secondary school and is age seven through age 19, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than three doses of vaccine for poliomyelitis, diphtheria, tetanus, and hepatitis B.~~

~~(d) In order for the statement to be acceptable for a person who is enrolling in a secondary school, and who was born after 1956 and is 20 years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than one dose of vaccine for diphtheria and tetanus within the preceding ten years.~~

~~(e) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is at least 15 months old but who has not reached five years of age, it must indicate that the following were given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than one dose of vaccine for haemophilus influenza type b; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.~~

~~(f) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is five or six years of age, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.~~

~~(g) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is seven years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination and consistent with subdivision 10, and no less than three doses of vaccine for poliomyelitis, diphtheria, and tetanus.~~

~~(h) The commissioner of health, on finding that any of the above requirements are not necessary to protect the public's health, may suspend for one year that requirement.~~

Sec. 9. Minnesota Statutes 2000, section 121A.15, subdivision 7, is amended to read:

Subd. 7. [FILE ON IMMUNIZATION RECORDS STATEMENTS.] Each school or child care facility shall maintain on file immunization ~~records~~ statements for all persons in attendance that contain the information required by subdivisions 1, 2, and 3. The school shall maintain the ~~records~~ statements for at least five years after the person attains the age of majority. The department of health and the board of health, as defined in section 145A.02, subdivision 2, in whose jurisdiction the school or child care facility is located, shall have access to the files maintained pursuant to this subdivision. When a person transfers to another elementary or secondary school or child care facility, the administrator ~~or other person having general control and supervision~~ of the school or child care facility shall assist the person's parent or guardian in the transfer of the immunization file to the person's new school or child care facility within 30 days of the transfer. Upon the request of a public or private post-secondary educational institution, as defined in section 135A.14, the administrator ~~or other person having general control or supervision of a school~~ shall assist in the transfer of a student's immunization file to the post-secondary institution.

Sec. 10. Minnesota Statutes 2000, section 121A.15, subdivision 8, is amended to read:

Subd. 8. [REPORT.] (a) The administrator ~~or other person having general control and supervision~~ of the elementary or secondary school shall file a report with the commissioner of children, families, and learning on all persons enrolled in the school. The superintendent of each district shall file a report with the commissioner of children, families, and learning for all persons within the district receiving instruction in a home school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving instruction in a home school shall submit the statements as required by subdivisions 1, 2, 3, and 4 to the superintendent of the district in which the person resides by October 1 of each school year. The school report must be prepared on forms developed jointly by the commissioner of health and the commissioner of children, families, and learning and be distributed to the local districts by the commissioner of health. The school report must state the number of persons attending the school, the number of persons who have not been immunized according to subdivision 1 or 2, and the number of persons who received an exemption under subdivision 3, ~~clause (c) or (d)~~. The school report must be filed with the commissioner of children, families, and learning within 60 days of the commencement of each new school term. Upon request, a district must be given a 60-day extension for filing the school report. The commissioner of children, families, and learning shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to boards of health as defined in section 145A.02, subdivision 2.

(b) The administrator ~~or other person having general control and supervision~~ of the child care facility shall file a report with the commissioner of human services on all persons enrolled in the child care facility. The child care facility report must be prepared on forms developed jointly by the commissioner of health and the commissioner of human services and be distributed to child care facilities by the commissioner of health. The child care facility report must state the number of persons enrolled in the facility, the number of persons with no immunizations, the number of persons who received an exemption under subdivision 3, ~~clause (c) or (d)~~, and the number of persons with partial or full immunization histories. The child care facility report must be filed with the commissioner of human services by November 1 of each year. The commissioner of human services shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to boards of health as defined in section 145A.02, subdivision 2.

(c) The report required by this subdivision is not required of a family child care or group family child care facility, for prekindergarten children enrolled in any elementary or secondary school provided services according to ~~sections 125A.05 and 125A.06~~ section 125A.03, nor for child care facilities in which at least 75 percent of children in the facility participate on a one-time only or occasional basis to a maximum of 45 hours per child, per month.

Sec. 11. Minnesota Statutes 2000, section 121A.15, subdivision 9, is amended to read:

Subd. 9. [DEFINITIONS.] As used in this section the following terms have the meanings given them.

(a) "Elementary or secondary school" includes any public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or nonpublic school, church, or religious organization, or home school in which a child is provided instruction in compliance with sections 120A.22 and 120A.24.

(b) "Person enrolled in any elementary or secondary school" means a person born after 1956 and enrolled in grades kindergarten through 12, and a child with a disability receiving special instruction and services as required in ~~sections section 125A.03 to 125A.24 and 125A.65~~, excluding a child being provided services according to section 125A.05, paragraph (c), or ~~125A.06, paragraph (d)~~ (a), clause (3) or (7).

(c) "Child care facility" includes those child care programs subject to licensure under chapter 245A, and Minnesota Rules, chapters 9502 and 9503.

(d) "Family child care" means child care for no more than ten children at one time of which no more than six are under school age. The licensed capacity must include all children of any caregiver when the children are present in the residence.

(e) "Group family child care" means child care for no more than 14 children at any one time. The total number of children includes all children of any caregiver when the children are present in the residence.

(f) "Administrator" means the school principal, the school's designated representative, or the person having general control and supervision of a school or child care facility.

(g) "In the process of being age-appropriately immunized" means having documentation of a minimum of one dose of each required vaccine, including those for which multiple doses must be given over time to be completely immunized.

(h) "Health care provider with prescribing authority" means a licensed physician, registered physician assistant with prescribing authority under chapter 147A, or advanced practice registered nurse with prescribing authority under section 148.235 who has authority to prescribe immunizations.

Sec. 12. Minnesota Statutes 2000, section 121A.15, is amended by adding a subdivision to read:

Subd. 12. [IMMUNIZATION PRACTICES TASK FORCE.] The commissioner of health shall appoint an immunization practices task force to advise the commissioner of health on the immunizations required for persons over two months of age who are enrolled in an elementary or secondary school, child care facility, or public or private post-secondary educational institution and the manner and frequency of their administration. The task force shall also advise the commissioner of health on vaccines that are available and that are safer than those generally provided, including but not limited to a vaccine for hepatitis B that does not contain mercury, and shall advise the commissioner of health on ways to inform patients being immunized and the parents and guardians of minors being immunized of the availability and preferability of these safer vaccines. Membership on the task force shall include but is not limited to one member recommended by the Minnesota chapter of the American Academy of Pediatrics; one member recommended by the Minnesota medical association; one member recommended by the Minnesota academy of family physicians; one member recommended by the school nurses association of Minnesota; one member chosen by the commissioner of health who serves on a community health board, as defined in section 145A.09, subdivision 2; one member recommended by the Minnesota council of health plans; one member

recommended by the Minnesota coalition of adult immunization; one member recommended by the Minnesota nurses association; one member who is a medical representative of a public or private post-secondary educational institution; one member recommended by the local chapter of the National Association of Pediatric Nurse Practitioners; and one public member chosen by the commissioner of health who represents at-risk communities. Terms and removal of members shall be governed by section 15.059, subdivision 6. Notwithstanding section 15.059, subdivision 6, the task force shall not expire and members shall not receive reimbursement for expenses. All meetings of the task force shall be open to the public and any person who wishes to testify before the task force or provide materials to task force members may do so by making arrangements with department of health staff.

Sec. 13. Minnesota Statutes 2000, section 121A.15, is amended by adding a subdivision to read:

Subd. 13. [REPORT.] By January 15, 2003, and every odd-numbered year thereafter, the commissioner of health shall report to the legislature on the current immunization schedule and all changes made to the schedule in the previous two-year period.

Sec. 14. Minnesota Statutes 2000, section 135A.14, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) "Administrator" means the administrator of the institution or other person with general control and supervision of the institution.

(b) "Public or private post-secondary educational institution" or "institution" means any of the following institutions having an enrollment of more than 100 persons during any quarter, term, or semester during the preceding year: (1) the University of Minnesota; (2) the state universities; (3) the state community colleges; (4) public technical colleges; (5) private four-year, professional and graduate institutions; (6) private two-year colleges; and (7) schools subject to either chapter 141, sections 136A.61 to 136A.71, or schools exempt under section 136A.657, and which offer educational programs within the state for an academic year greater than six consecutive months. An institution's report to the Minnesota higher education services office or the Minnesota department of children, families, and learning may be considered when determining enrollment.

(c) "Student" means a person born after 1956 who did not graduate from a Minnesota high school in 1997 or later, and who is (1) registering for more than one class during a full academic term, such as a quarter or a semester or (2) housed on campus and is registering for one or more classes. Student does not include persons enrolled in extension classes only or correspondence classes only.

(d) "Health care provider with prescribing authority" has the meaning given in section 121A.15, subdivision 9, paragraph (h).

Sec. 15. Minnesota Statutes 2000, section 135A.14, subdivision 2, is amended to read:

Subd. 2. [STATEMENT OF IMMUNIZATION REQUIRED.] Except as provided in subdivision 3, no student may remain enrolled in a public or private post-secondary educational institution unless the student has submitted to the administrator a statement that the student ~~has received appropriate immunization against measles, rubella, and mumps after having attained the age of 12 months, and against diphtheria and tetanus within ten years of first registration at the institution~~ is age-appropriately immunized against diseases in compliance with the immunization schedule established by the commissioner of health according to section 121A.15, subdivision 1a. This statement must indicate the month and year of each immunization given. Instead of submitting a statement, a student may provide an immunization record maintained by a school according to section 121A.15, subdivision 7, or a school in another state if the required information is contained in the record. A student who has submitted a statement as provided in this subdivision may transfer to a different Minnesota institution without submitting another statement if the student's transcript or other official documentation indicates that the statement was submitted.

Sec. 16. Minnesota Statutes 2000, section 135A.14, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS FROM IMMUNIZATION.] (a) An immunization ~~listed in subdivision 2~~ specified in the immunization schedule established according to section 121A.15, subdivision 1a, is not required if the student submits to the administrator a statement signed by a physician health care provider with prescribing authority that shows:

- (1) that, for medical reasons, the student did not receive an immunization;
- (2) that the student has experienced the natural disease against which the immunization protects; or
- (3) that a laboratory has confirmed the presence of adequate immunity.

(b) If the student submits a notarized statement that the student has not been immunized as required in subdivision 2 because of the student's conscientiously held beliefs, the immunizations ~~described in subdivision 2~~ specified in the immunization schedule are not required. The institution shall forward this statement to the commissioner of health.

Sec. 17. [REPEALER.]

Minnesota Statutes 2000, section 121A.15, subdivisions 6 and 10, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 8 and 12 to 17 are effective January 1, 2002, and apply to the 2002-2003 school term and later. Sections 9 to 11 are effective the day following final enactment.

Amend the title as follows:

Page 1, line 8, after "4," insert "7,"

Page 1, line 9, delete "2" and insert "1, 2,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 916, A bill for an act relating to commerce; regulating securities; modifying certain fees for securities issued by open-end management companies and unit investment trusts; amending Minnesota Statutes 2000, section 80A.28, subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Jobs and Economic Development Finance.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 925, A bill for an act relating to natural resources; appropriating money for a master logger certification program.

Reported the same back with the following amendments:

Page 1, line 10, delete "must be available to all"

Page 1, line 11, delete everything before the period and insert "will rely on existing logger education and training programs, and must be available to all loggers in the state. The program will establish performance and enforcement standards consistent with the site-level forest management guidelines developed under Minnesota Statutes, section 89A.05. To the extent possible, the program will also strive to be consistent with other forest certification programs operating in the state. The commissioner shall appoint a committee to provide oversight in the development and implementation of the program"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 933, A bill for an act relating to commerce; providing buyback requirements related to the sale of farm implements and outdoor power equipment; amending Minnesota Statutes 2000, sections 325E.06, subdivisions 1, 4, and 5; and 325E.0681, subdivisions 3, 4, 5, 11, and 12.

Reported the same back with the following amendments:

Page 1, lines 13 and 14, delete the new language

Page 2, line 28, delete "four" and insert "five"

Page 2, line 29, delete everything after "purchase"

Page 2, line 30, delete everything before "of"

Page 7, after line 33, insert:

"Sec. 4. Minnesota Statutes 2000, section 325E.06, subdivision 6, is amended to read:

Subd. 6. [DEFINITION.] (a) For the purposes of this section "farm implements" mean every vehicle designed or adapted and used exclusively for agricultural operations and only incidentally operated or used upon the highways.

(b) For the purposes of this section, "outdoor power equipment" does not include motorcycles, boats, personal watercraft, snowmobiles, or all-terrain vehicles designed for recreation.

Page 8, line 34, delete "four" and insert "five"

Page 8, line 35, delete everything after "purchase"

Page 8, line 36, delete everything before "of"

Reorder the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 5, delete "and 5" and insert "5, and 6"

With the recommendation that when so amended the bill pass.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 962, A bill for an act relating to county hospitals; providing for their borrowing authority; establishing a uniform approach to governmental hospital borrowing; modernizing hospital board membership criteria; amending Minnesota Statutes 2000, sections 376.06, subdivision 1; 376.07; 376.08, subdivisions 1 and 2; and 376.09.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Tuma from the Committee on Crime Prevention to which was referred:

H. F. No. 1007, A bill for an act relating to trade regulations; prohibiting gasoline sales below cost; providing enforcement authority; amending Minnesota Statutes 2000, section 325D.01, subdivision 5, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 325D.

Reported the same back with the following amendments:

Page 2, line 1, after "sale" insert "by way of posted price or indicating meter" and delete "retail" and insert "retailer"

Page 2, line 2, delete "vendor" and after "a" insert "retail" and delete "typically"

Page 2, line 22, after "Any" insert "offer for" and after "retailer" insert "by way of posted price or indicating meter"

Page 2, line 24, before the period, insert ", except that the criminal penalties in section 325D.071 do not apply"

Page 2, after line 31, insert:

"A retailer who offers gasoline for sale at a price below cost as part of a promotion at an individual location for no more than three days in any calendar quarter is not in violation of this section."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1067, A bill for an act relating to health occupations; exempting certain persons who are refugees or immigrants to the United States and for whom English is a second language from the examination requirement for social work licensure and for obtaining a temporary permit to practice social work; amending Minnesota Statutes 2000, section 148B.21, subdivisions 3, 4, 5, 6, and 7.

Reported the same back with the following amendments:

Page 2, line 13, delete the second "and"

Page 2, line 15, delete "three" and insert "two" and delete everything after "workers" and insert "and"

Page 2, line 16, delete "whom must be"

Page 2, line 17, delete the period and insert "; and

(3) will provide social work services primarily to members of the ethnic group of which the applicant is a member."

Page 3, line 10, delete the second "and"

Page 3, line 12, delete "three" and insert "two" and delete everything after "workers" and insert "and"

Page 3, line 13, delete "whom must be"

Page 3, line 14, delete the period and insert "; and

(3) will provide social work services primarily to members of the ethnic group of which the applicant is a member."

Page 4, line 9, after the period, insert "An applicant licensed under this paragraph shall provide social work services primarily to members of the ethnic group of which the applicant is a member."

Page 5, line 10, after the period, insert "An applicant licensed under this paragraph shall provide social work services primarily to members of the ethnic group of which the applicant is a member."

Page 6, line 20, after the period, insert "An applicant who obtains a temporary permit under this clause shall provide social work services primarily to members of the ethnic group of which the applicant is a member."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ness from the Committee on Agriculture and Rural Development Finance to which was referred:

H. F. No. 1083, A bill for an act relating to agriculture; appropriating money for beaver damage control grants.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1104, A bill for an act relating to real estate; providing for the electronic filing of real estate documents; implementing the work plan of the task force; providing support; appropriating money.

Reported the same back with the following amendments:

Page 2, line 7, delete "subdivision 1" and insert "paragraph (a)"

Page 2, line 10, delete ", by agreement with" and insert a period

Page 2, delete line 11

Page 2, line 12, delete "agreement must specifically provide that the" and delete "are" and insert "must be"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1151, A bill for an act relating to professions; modifying penalty provisions for psychologists; amending Minnesota Statutes 2000, section 148.941, subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Page 5, line 22, delete the semicolon

Page 5, line 23, before "client" insert "former"

Page 5, line 30, before the period, insert "from the date the complaint is received by the board"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1236, A bill for an act relating to metropolitan government; requiring house and senate confirmation of members and the executive director of the metropolitan airports commission; amending Minnesota Statutes 2000, sections 473.604, subdivision 1; and 473.606, subdivision 4.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1241, A bill for an act relating to agriculture; requiring the delegation of feedlot permitting in certain counties; providing support funding; appropriating money; amending Minnesota Statutes 2000, section 116.07, subdivision 7.

Reported the same back with the following amendments:

Page 4, lines 34 and 35, reinstate the stricken language

Page 5, line 3, delete "agriculture" and insert "the pollution control agency"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1243, A bill for an act relating to agriculture; establishing a feedlot specialist program; providing funding; appropriating money; amending Minnesota Statutes 2000, section 116.07, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 1, line 22, delete "300" and insert "500"

Page 3, line 14, delete "300" and insert "500"

Page 6, lines 7 and 8, reinstate the stricken language

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1283, A bill for an act relating to commerce; regulating Internet sales and leases; providing for the disclosure of information relating to the ownership of domain names and agents for service of process; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 1, line 14, after "state" insert "that sells or leases goods or services to residents of this state via the Internet"

Page 2, after line 22, insert:

"Subd. 4. [APPLICATION OF LONG ARM STATUTE.] Nothing in this section is intended to affect the application of section 543.19 to a person under subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1306, A bill for an act relating to natural resources; modifying provisions of the youth corps program; modifying provisions for decorative forest products; delaying repeal of sustainable forest resources provisions; requiring a study; providing civil penalties; appropriating money; amending Minnesota Statutes 2000, sections 84.0887, subdivisions 1, 2, 4, 5, 6, and 9; 88.641, subdivision 2, and by adding subdivisions; 88.642; 88.645; 88.647; 88.648; and 256J.20, subdivision 3; Laws 1995, chapter 220, section 142, as amended; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 2000, sections 88.641, subdivisions 4 and 5; and 88.644.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Transportation Policy.

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1311, A bill for an act relating to commerce; providing for the licensing of money transmitters; prescribing the powers and duties of the commissioner; proposing coding for new law as Minnesota Statutes, chapter 53B.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2000, section 53A.02, subdivision 2, is amended to read:

Subd. 2. [DISTANCE LIMITATION.] No license may be issued or renewed under this chapter if the place of business to be operated under the license is located or proposed to be located within one-half mile of another licensed currency exchange. The distance limitation imposed by this subdivision is measured by a straight line from the closest points of the closest structures involved. In the city of Bloomington, the distance limitation is 2,500 feet."

Page 13, delete lines 14 to 36 and insert:

"The commissioner has under this chapter the same powers with respect to financial examinations that the commissioner has under section 46.04."

Page 14, delete lines 1 to 9

Page 19, delete section 23

Page 19, delete lines 23 to 36 and insert "Section 45.027 applies to this chapter."

Page 20, delete lines 1 to 10

Pages 20 and 21, delete section 27 and insert:

"Sec. 27. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Re-number the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "regulating the distance limitations for licensed currency exchanges in the city of Bloomington; amending Minnesota Statutes 2000, section 53A.02, subdivision 2;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Jobs and Economic Development Finance.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 1314, A bill for an act relating to transportation; making seat belt violation a primary offense; amending Minnesota Statutes 2000, section 169.686, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 24, reinstate "~~A peace officer may not issue a citation for a violation of~~"

Page 1, line 25, reinstate the stricken language

Page 2, line 1, reinstate "driver" and reinstate "~~for a moving violation other than a~~" and after "for" insert "(1) a violation of paragraph (a) by a person under age 18, or (2)"

Page 2, line 2, reinstate the stricken language

Amend the title as follows:

Page 1, line 2, after "violation" insert "by a minor"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Crime Prevention.

The report was adopted.

Wolf from the Committee on Regulated Industries to which was referred:

H. F. No. 1323, A bill for an act relating to energy; enacting the Minnesota Energy Security and Reliability Act; modifying provisions for siting and routing large electric power facilities; allowing for establishment of electric generation parks; creating independent reliability administrator; providing tax exemption for certain electric

generation facility property; regulating conservation expenditures by public utilities; encouraging regulatory flexibility in supplying and obtaining energy; requiring a state energy plan; regulating interconnection of distributed utility resources; making technical, conforming, and clarifying changes; appropriating money; amending Minnesota Statutes 2000, sections 15A.0815, subdivisions 2 and 3; 116C.52, subdivision 4, and by adding subdivisions; 116C.53, subdivision 3; 116C.57, subdivisions 1, 2, 4, and by adding subdivisions; 116C.58; 116C.60; 116C.61, subdivision 1; 116C.62; 116C.64; 116C.645; 116C.65; 116C.66; 116C.69; 216A.03, subdivision 3a, and by adding a subdivision; 216B.02, subdivisions 1, 7, 8, and by adding subdivisions; 216B.03; 216B.16, subdivisions 1, 6b, 6c, and 7; 216B.162, subdivision 8; 216B.1621, subdivision 2; 216B.164, subdivision 4; 216B.1645; 216B.24, subdivisions 1, 2, and 3; 216B.241, subdivisions 1, 1a, 1b, and by adding subdivisions; 216B.2421, subdivisions 1, 2, and by adding a subdivision; 216B.2423, subdivision 2; 216B.243, subdivisions 2, 3, and 5; 216C.17, subdivision 3; and 272.027, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; and 216B; proposing coding for new law as Minnesota Statutes, chapter 216E; repealing Minnesota Statutes 2000, sections 116C.55; 116C.57, subdivisions 3, 5, and 5a; 116C.67; 216B.241, subdivisions 1c, 2, and 2a; 216B.2422, subdivisions 1, 2, 2a, 4, 5, and 6; and 216C.18.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 116C.52, is amended by adding a subdivision to read:

Subd. 3a. [ELECTRIC GENERATION PARK.] "Electric generation park" means a specially designated area for the siting and construction of multiple generation facilities of various sizes.

Sec. 2. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 1a. [DESIGNATION OF SITE FOR ELECTRIC GENERATION PARK.] (a) A person may apply to the board for designation of a site for an electric generation park. The application must be in a form and manner prescribed by the board. The application must specify the site boundaries and a general description of the number, type (including fuel type), and size of facilities contemplated to be constructed on site, the proposed total nameplate capacity of generation to be sited in the park, and transmission outlet facilities sufficient to carry that capacity.

(b) Pursuant to sections 116C.57 to 116C.60, the board shall study and evaluate any site proposed under this subdivision. The proposed site may or may not contain one or more existing large electric power generating plants. The board shall indicate the reasons for any refusal and indicate changes necessary to allow site designation. Within 270 days after the board's acceptance of an application under this subdivision, the board shall decide in accordance with the responsibilities, procedures, and considerations specified in section 116C.57, subdivision 4, and the considerations in chapter 116D, which proposed site is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed three months. The board may seek an initial analysis of the potential impact of the proposed park on ambient air quality from the pollution control agency.

(c) When the board designates a site for an electric generation park, it shall issue a certificate of site compatibility to the person with any appropriate conditions, including the maximum generation capacity allowed within the park and the specific fuels and technologies that may be used in the park to generate that capacity. The board shall publish a notice of its decision in the State Register within 30 days of site designation. An electric generation park may be constructed only on a site designated by the board and only for a park proposal for which the commission has issued a certificate of need in accordance with section 216B.2431, or for which an application under that section is pending.

(d) The board shall consider the environmental impact of alternative sites for the proposed generation park and alternative generation technologies to be used within the park, but may not consider alternatives to the park, including the "no-build" alternative, for any park proposal for which the commission has issued a certificate of need under section 216B.2431 or for which an application under that section is pending. If the park proposer's application is denied or withdrawn, the proposer must withdraw its siting application as well.

Sec. 3. [216B.2431] [CERTIFICATE OF NEED FOR ELECTRIC GENERATION PARK.]

Subdivision 1. [DEFINITION; ELECTRIC GENERATION PARK.] "Electric generation park" means a specially designated area for the siting and construction of multiple generation facilities of various sizes. An electric generation park may contain existing large energy facilities.

Subd. 2. [ASSESSMENT OF NEED CRITERIA.] The commission shall use the assessment of need criteria developed for use in the determination of need for large energy facilities for the determination of need for an electric generation park, but only to the extent the commission finds the need criteria to be relevant and consistent with this section.

Subd. 3. [CERTIFICATE REQUIRED.] An electric generation park may not be sited or constructed in Minnesota without the issuance of a certificate of need by the commission pursuant to this section. A certificate of need under section 216B.243 is not required for a proposed large energy generation facility to be constructed within an approved electric generation park, provided the proposed facility is consistent with any relevant conditions imposed on approval of the park.

Subd. 4. [SHOWING REQUIRED.] The commission shall issue a certificate of need for a proposed electric generation park if the commission finds that the applicant has met the burden established under section 216B.243, as modified by subdivision 2, and that:

(1) the interconnected electric system for the state is in need of additional power in excess of the proposed maximum capacity of the electric generation park;

(2) the applicant agrees to make all locations in the park available under terms and conditions that ensure comparable, nondiscriminatory, and efficient access; and

(3) installation of the proposed maximum capacity of the proposed electric generation park will not unduly stress the transmission system.

Subd. 5. [USE OF RENEWABLE AND HIGH-EFFICIENCY SOURCES.] The commission may not issue a certificate of need under this section unless the applicant for the certificate has demonstrated to the commission's satisfaction that it has explored the possibility of generating power, to the greatest extent practical and feasible, by means of fuel sources and technologies in the following order of preference: renewable energy as defined in section 216B.2422, subdivision 1, including the use of agricultural waste for energy generation; high-efficiency, low emission sources such as combined cycle or cogeneration facilities powered by natural gas or other similarly clean fuel; and traditional energy sources such as waste-to-energy, natural gas, coal, and nuclear facilities.

Subd. 6. [APPLICATION FOR CERTIFICATE; HEARING.] Any person proposing to construct an electric generation park shall apply for a certificate of need before constructing the park. The application must be on forms and in a manner established by the commission. In reviewing each application, the commission shall hold at least one public hearing under chapter 14. The public hearing must be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing must be to obtain public opinion on the necessity of granting a certificate of need. The commission shall designate a commission employee to facilitate citizen participation in the hearing process.

Subd. 7. [APPROVAL, DENIAL, OR MODIFICATION.] Within 180 days of the submission of an application, the commission shall approve, approve as modified, or deny a certificate of need for the park. Approval or denial of the certificate must be accompanied by a statement of the reasons for the decision. Issuance of the certificate may be made contingent upon modifications required by the commission.

Subd. 8. [APPLICATION FEES; APPROPRIATION.] (a) An application for a certificate of need must be accompanied by the fee required under this subdivision. The maximum fee is \$.....

(b) The commission may require an additional fee to recover the costs of any rehearing. The fee for a rehearing may not be greater than the actual cost of the rehearing or the maximum fee specified in paragraph (a), whichever is less.

(c) The commission shall establish by rule or order a schedule of fees based on the output or capacity of the park and the difficulty of assessment of need.

(d) Money collected in this manner must be credited to the general fund of the state treasury.

Subd. 9. [PARTICIPATION BY OTHER AGENCY OR POLITICAL SUBDIVISION.] Other state agencies authorized to issue permits for siting, construction, or operation of large energy facilities, and those state agencies authorized to participate in matters before the commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process before a certificate of need is issued or denied. The commission has the sole and exclusive prerogative to issue or deny a certificate of need and these determinations and certificates are binding upon other state departments and agencies, upon regional, county, and local governments, and upon special purpose government districts, except as provided in sections 116C.01 to 116C.08 and 116D.04, subdivision 9.

Sec. 4. [216B.2432] [GENERATION CREDITS; INCENTIVES.]

Subdivision 1. [MINNESOTA ENERGY RELIABILITY TRUST FUND.] (a) The commissioner, chair of the commission, and director of state planning, acting jointly, shall establish an account with a financial institution, known as the "Minnesota energy reliability trust fund." The trust fund consists of amounts deposited in the fund under subdivision 4. The funds collected and deposited in the trust fund constitute trust fund revenues and are not state funds. Amounts in the fund must be held in trust by the fund manager.

(b) The fund manager is the independent reliability administrator appointed under section 216B.011. The fund manager shall monitor the amounts in the fund and shall make payments from the fund according to the budget developed by the commissioner and approved by the commission under subdivision 2. Amounts in the fund may only be used for the purposes specified in this section and only in accordance with the approved budget.

Subd. 2. [MINNESOTA ENERGY RELIABILITY SURCHARGE.] (a) Not later than August 1 of each year, the commissioner shall recommend to the commission an adequate and appropriate budget to implement this section. The commission shall review the budget for reasonableness and may modify the budget to the extent it is unreasonable.

(b) Within 30 days of approving the budget, the commission shall impose a nonbypassable, competitively neutral surcharge on the consumption of electricity and natural gas in Minnesota. The amount of the surcharge must be calculated to raise sufficient revenue to implement the approved budget but may not exceed \$10,000,000 per year initially. The initial surcharge is:

(1) \$0.00017 per kilowatt-hour for electricity sold to end-use Minnesota customers; and

(2) \$0.003 per thousand cubic feet for natural gas sold to end-use Minnesota customers.

The commissioner, chair, and director may jointly act to increase this surcharge proportionately, if needed to provide incentive for the construction of generation to serve Minnesota customers, as reflected in the commissioner's proposed budget under paragraph (a). The budget may not increase more than \$10,000,000 in any fiscal year and may never be more than \$50,000,000 annually.

(c) The reliability surcharge may not raise more than the budgeted amount in the fiscal year. If the surcharge raises more than this amount within the fiscal year, the commission shall discontinue imposing the fee until the unencumbered balance of the fund falls below \$4,000,000. The commissioner shall notify the commission if the unencumbered balance of the reliability fund falls below \$4,000,000. The commission shall reimpose the fee established in this section at the start of the next fiscal year.

Subd. 4. [COLLECTION.] Each electric and natural gas local distribution utility shall collect the surcharge established by the commission under subdivision 3 and remit amounts collected to the fund manager. The fund manager shall deposit the receipts in the trust fund. The local distribution utility shall show the Minnesota energy reliability surcharge as a separate line item on its customers' bills.

Subd. 5. [GENERATION CONSTRUCTION CREDITS; INCENTIVES.] (a) The commission, by order, shall develop and issue a schedule of generation construction credits to provide incentive for the construction of generation facilities for service to Minnesota consumers. The schedule of generation construction credits must provide one credit per megawatt of capacity of traditional generation facilities; 1-1/2 credits per megawatt of capacity of cogeneration or combined cycle generation or generation using refuse-derived fuel, as defined in section 116.90; and two credits per megawatt of renewable and emerging technology generation facilities. For the purposes of this section, "emerging technology generation facilities" means facilities intended to demonstrate new or developing technologies that produce electricity efficiently, including but not limited to natural gas-powered technologies such as fuel cells and small scale turbines. Generation construction credits may also be used to develop adequate infrastructure in and adjacent to electric generation parks.

(b) Generation construction credits may only: (1) be granted by the commissioner and paid out by the fund manager as necessary to provide incentive for construction; (2) for construction of projects that comply with the requirements of section 177.43; and (3) for electricity generated for use by Minnesota retail customers. In addition, the commission shall establish a price ceiling for electricity above which no generation construction credits may be granted. If the wholesale market price for electricity increases above that amount, the commissioner shall notify owners of generation facilities currently receiving generation construction credits that their facilities are no longer eligible for credits under this section. If an owner commits to selling electricity produced at the owner's facility at a price lower than the wholesale market price ceiling, that facility may continue to be eligible for credits, at the commissioner's discretion.

(c) For ten years from the date a facility constructed within an electric generation park begins to produce electricity, the commissioner shall pay to the owner of a generation facility in an electric generation park the amount of credits agreed to by the commissioner according to the schedule of generation construction credits provided under paragraph (b). The commissioner may not grant and the fund manager may not pay generation construction credits for electricity that is not consumed by an end-use customer in Minnesota and may require any information the commissioner deems necessary from the owner to ensure compliance with this section.

(d) Incentives for new renewable generation facilities within a park may be funded from the renewable development fund under section 116C.779. Incentives for new refuse-derived fuel generation facilities may be funded from the solid waste fund under section 115B.42.

Subd. 6. [RIGHT-OF-WAY BANK.] The commissioner may budget up to five percent of the annual proceeds of the reliability surcharge to assist local governments, the department of transportation, and utilities in the purchase of right-of-way, land, or easements for the placement of utility facilities, such as new, upgraded, or existing transmission lines for transmitting electricity, telecommunication and cable facilities, and gas distribution or transport pipelines. When facilities are placed in a public utility corridor purchased under this subdivision, the commissioner may require the owner of the facility to repay an allocated portion of the cost of the corridor. Local government units shall remit one-half of the local taxes on the facility to the fund manager for deposit in the fund. Amounts received in repayment must be deposited in the fund. No portion of the surcharge may be used, directly or indirectly, for the purpose of relocating utility facilities to facilitate construction of a light rail project.

Subd. 7. [CONVERSION INCENTIVES.] The commissioner may use up to five percent of the proceeds of the reliability surcharge to provide monetary incentives to the owner of a coal-fired generating facility in operation as of January 1, 2001, to:

(1) convert existing equipment at the facility to equipment that reduces air emissions from the facility beyond emissions standards applicable to the facility; or

(2) increase the fuel efficiency of the facility, as calculated using the formula given in section 272.0211, subdivision 1.

Subd. 8. [CENTER FOR ENERGY SECURITY.] (a) The center for energy security is established within the Humphrey Institute for Public Affairs of the University of Minnesota. The center may be established as a nonprofit corporation under section 501(c)(3) of the federal Internal Revenue Code. The commissioner, commission chair, and director shall establish an annual budget for the center and the fund manager shall transfer that amount of the reliability surcharge to the university for the administration of the center.

(b) The center shall research and identify present and emerging issues, including adequacy of energy supply to consumers in the state; energy infrastructure issues; demand and delivery concerns; environmental constraints; emerging energy-related technologies, fuels, and applications; energy restructuring policies; and matters that affect energy prices paid by Minnesota consumers. In addition, the center shall serve as an information resource and clearinghouse and advise state agencies and legislators on energy policy issues affecting Minnesota consumers. The center may seek, receive, and distribute gifts, grants, bequests, and other sources of revenue for the purposes of energy policy research and to fulfill its mission.

(c) The university shall hire an executive director for the center that has education or experience in law; business administration; federal and state government; utility and environmental regulation; energy and environmental policy; and the demonstrated managerial, financial, promotional, and representational capabilities to enable the center to fulfill its duties.

Subd. 9. [UNDERGROUND TRANSMISSION LINES; DEMONSTRATION PROJECTS.] The commissioner may use a portion of the proceeds of the reliability surcharge for up to two demonstration projects for burying transmission lines. The reliability surcharge proceeds may be used to offset the costs of placing the transmission line underground. The commissioner shall report to the legislature regarding the costs of the demonstration projects as well as any effect on the reliability of the buried line or cost of maintaining the buried line.

Sec. 5. [216B.2433] [NEW ELECTRIC GENERATION PLANTS.]

Subdivision 1. [QUALIFYING PROJECTS.] This section applies to a project that meets the following requirements:

(1) the improvements consist of:

(i) construction of a new electric generation facility with the capacity to produce 250 megawatts or more of power; or

(ii) substantial improvement or rehabilitation of an existing electric generation facility that increases its capacity by 100 megawatts or more; and

(2) the commissioner of commerce determines that it is necessary to provide the incentives under this section to make the project feasible.

Subd. 2. [DURATION OF APPLICATION.] (a) The section applies beginning for the first assessment year that occurs after the commissioner of revenue determines that a sufficient amount of the project has been completed to increase the tax capacity of the site of the project by \$300,000 or more.

(b) In approving the project, the commissioner of commerce shall specify the number of assessment years for which a project qualifies under this section. In no case may this duration exceed ten assessment years.

Subd. 3. [INCREMENTAL TAX CAPACITY.] The commissioner of revenue shall separately determine the increase in the net tax capacity of a project that is attributable to construction of a project qualifying under this section. The resulting amount is the "incremental tax capacity for the project" for purposes of this section. The commissioner of revenue shall certify this incremental tax capacity to the county auditor for the county in which the project is located and to the commissioner of commerce.

Subd. 4. [TAX CALCULATION.] The county auditor shall exclude the incremental tax capacity of the project from the net tax capacity of the local taxing districts in determining local taxing district tax extension rates. The local tax extension rates determined in this manner are to be extended against the incremental tax capacity of the project as well as the net tax capacity of the local taxing districts.

Subd. 5. [FISCAL DISPARITIES.] For projects located in areas subject to the fiscal disparities provisions of chapter 276A or 473F, the incremental tax capacity of the project is excluded from the definition of "commercial-industrial property" under those chapters.

Subd. 6. [PAYMENT TO COMMISSIONER OF COMMERCE.] The county treasurer shall pay the tax generated by the extension of the local taxing district tax rates to the incremental tax capacity of the project to the commissioner of commerce for distribution under this section.

Subd. 7. [DEPOSIT OF REVENUES.] Tax revenues received under this section are deposited in the general fund.

Subd. 8. [USE OF TAX REVENUES.] The commissioner of commerce shall use taxes received for a project for the following purposes and in the following proportions:

(a) Up to 75 percent of the revenues may be used to pay the developer or operator of the project as an incentive to construct the project. If, in approving the project, the commissioner of commerce determines that less than 80 percent is necessary for this purpose, the commissioner shall notify the county of the proportion of the tax paid by the incremental tax capacity to retain. This retained amount must be distributed in the manner provided under section 469.176, subdivision 2, clause (4), for excess tax increments.

(b) Ten percent of the revenues must be deposited into an account to be used by the commissioner to provide incentives for development and installation of renewable generation resources.

(c) Ten percent of the revenues must be deposited into an account and appropriated to the commissioner of economic security to be used to provide assistance for conservation, weatherization, and similar assistance.

(d) Five percent of the revenues must be paid to the statutory or home rule charter city and county in which the facility is constructed.

Subd. 9. [APPROPRIATION.] An amount sufficient to make payments under subdivision 8 is appropriated to the commissioner of commerce from the general fund.

[EFFECTIVE DATE.] This section is effective beginning for taxes payable in 2003.

Sec. 6. Minnesota Statutes 2000, section 272.027, subdivision 1, is amended to read:

Subdivision 1. [ELECTRICITY GENERATED TO PRODUCE GOODS AND SERVICES.] Personal property used to generate electric power is exempt from property taxation if the electric power is used to manufacture or produce goods, products, or services, other than electric power, by the owner of the electric generation plant. Except as provided in subdivisions 2 ~~and~~ 3, and 4, the exemption does not apply to property used to produce electric power for sale to others and does not apply to real property. In determining the value subject to tax, a proportionate share of the value of the generating facilities, equal to the proportion that the power sold to others bears to the total generation of the plant, is subject to the general property tax in the same manner as other property. Power generated

in such a plant and exchanged for an equivalent amount of power that is used for the manufacture or production of goods, products, or services other than electric power by the owner of the generating plant is considered to be used by the owner of the plant.

Sec. 7. Minnesota Statutes 2000, section 272.027, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTION FOR PERSONAL PROPERTY USED TO GENERATE ELECTRICITY.] For a generation facility or natural gas peaking facility constructed and placed into service after January 1, 2001, personal property is exempt from property taxation. This exemption does not apply to transformers, transmission lines, distribution lines, or any other tools, implements, and machinery that is part of an electric substation, wherever located."

Delete the title and insert:

"A bill for an act relating to energy; authorizing creation of electric generation parks emphasizing use of clean, efficient energy sources; establishing Minnesota energy reliability trust fund to be managed by independent reliability administrator and funded by electricity-consumption surcharge; providing credits and incentives for generation facility construction; establishing center for energy security in the Humphrey Institute for Public Affairs; providing for demonstration projects for burying transmission lines; providing tax incentives and sales tax exemption; appropriating money; amending Minnesota Statutes 2000, sections 116C.52, by adding a subdivision; 116C.57, by adding a subdivision; 272.027, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1336, A bill for an act relating to insurance; creating a stop-loss fund account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Policy.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1337, A bill for an act relating to insurance; creating a purchasing alliance stop-loss fund account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Policy.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1356, A bill for an act relating to agriculture; expanding nuisance liability protection for agricultural operations; amending Minnesota Statutes 2000, section 561.19, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, lines 16 to 19, reinstate the stricken language

Page 1, line 20, reinstate everything before the stricken "or"

Page 1, line 21, reinstate the stricken ""means"

Page 1, line 22, reinstate the stricken "an expansion by at least 25 percent in"

Page 1, line 23, reinstate the stricken "the number of a particular kind of"

Page 1, line 24, reinstate the stricken "animal or livestock located on an agricultural operation" and insert a period

Page 2, lines 4 to 6, delete the new language and insert "Significantly altered" does not mean:"

Page 2, line 7, delete "a change in ownership" and insert "a transfer of an ownership interest to and held by persons or the spouses of persons related to each other within the third degree of kindred according to the rules of civil law to the person making the transfer so long as at least one of the related persons is actively operating the farm, or to a family farm trust under section 500.24"

Page 2, line 8, delete "farming" and insert "cropping"

Page 2, line 13, delete "type of farm" and insert "crop"

Page 2, line 34, after "state" insert "or local" and after the comma, insert "ordinances."

Page 3, line 3, after "state" insert "or local" and after the first comma, insert "ordinances."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

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

H. F. No. 1391, A resolution urging the United States Postal Service to create a postage stamp reproducing Eric Enstrom's photograph "Grace."

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Tuma from the Committee on Crime Prevention to which was referred:

H. F. No. 1427, A bill for an act relating to impaired driving; permitting the results of a preliminary screening test to be admissible in a criminal prosecution for the crime of implied consent test refusal; prohibiting certain first-time DWI offenders from receiving a shortened license revocation period; amending a definition in the plate impoundment law to allow plate impoundment for certain first-time alcohol-related license revocations; creating a gross misdemeanor penalty for violation of an alcohol-related restriction on a person's driver's license if the violation occurs while driving a motor vehicle and authorizing consecutive sentences for these violations in certain cases; amending Minnesota Statutes 2000, sections 169A.28, subdivision 2; 169A.41, subdivision 2; 169A.54, subdivision 6; 169A.60, subdivision 1; 171.09; and 609.035, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 169A.277, subdivision 2, is amended to read:

Subd. 2. [MONITORING REQUIRED.] When the court sentences a person described in subdivision 1 to a stayed sentence and when electronic monitoring equipment is available to the court, the court shall require that the person participate in a program of electronic alcohol monitoring in addition to any other conditions of probation or jail time it imposes. ~~During the first one-third of the person's probationary term, the electronic alcohol monitoring must be continuous and involve measurements of the person's alcohol concentration at least three times a day. During the remainder of the person's probationary term, the electronic alcohol monitoring may be intermittent, as determined by the court. The court must order the monitoring for a minimum of 30 consecutive days during each year of the person's probationary period.~~

Sec. 2. Minnesota Statutes 2000, section 169A.28, subdivision 2, is amended to read:

Subd. 2. [PERMISSIVE CONSECUTIVE SENTENCES; MULTIPLE OFFENSES.] (a) When a person is being sentenced for a violation of a provision listed in paragraph (e), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (e), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b) and (c).

(b) When a person is being sentenced for a violation of section 171.20 (operation after revocation, suspension, cancellation, or disqualification), 171.24 (driving without valid license), or 171.30 (violation of condition of limited license), the court may not impose a consecutive sentence for another violation of a provision in chapter 171 (drivers' licenses and training schools).

(c) When a person is being sentenced for a violation of section 169.791 (failure to provide proof of insurance) or 169.797 (failure to provide vehicle insurance), the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(d) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135 (stay of imposition or execution of sentence).

(e) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions within the past ten years:

(1) section 169A.20, subdivision 1 (driving while impaired; impaired driving offenses);

(2) section 169A.20, subdivision 2 (driving while impaired; test refusal offense);

(3) section 169.791;

(4) section 169.797;

(5) section 171.09 (violation of condition of restricted license);

(6) section 171.20, subdivision 2 (operation after revocation, suspension, cancellation, or disqualification);

(7) section 171.24; and

(8) section 171.30.

Sec. 3. Minnesota Statutes 2000, section 169A.41, subdivision 2, is amended to read:

Subd. 2. [USE OF TEST RESULTS.] The results of this preliminary screening test must be used for the purpose of deciding whether an arrest should be made and whether to require the tests authorized in section 169A.51 (chemical tests for intoxication), but must not be used in any court action except the following:

(1) to prove that a test was properly required of a person pursuant to section 169A.51, subdivision 1;

(2) in a civil action arising out of the operation or use of the motor vehicle;

(3) in an action for license reinstatement under section 171.19;

(4) in a prosecution for a violation of section 169A.20, subdivision 2 (driving while impaired; test refusal);

(5) in a prosecution or juvenile court proceeding concerning a violation of section 169A.33 (underage drinking and driving), or 340A.503, subdivision 1, paragraph (a), clause (2) (underage alcohol consumption);

(6) in a prosecution under section 169A.31, (alcohol-related school or Head Start bus driving); or 171.30 (limited license); or

(7) in a prosecution for a violation of a restriction on a driver's license under section 171.09, which provides that the license holder may not use or consume any amount of alcohol or a controlled substance.

Sec. 4. Minnesota Statutes 2000, section 169A.51, subdivision 7, is amended to read:

Subd. 7. [REQUIREMENTS FOR CONDUCTING TESTS; LIABILITY.] (a) Only a physician, medical technician, ~~physician's trained mobile intensive care paramedic~~ emergency medical technician-paramedic, registered nurse, medical technologist, medical laboratory technician, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol, controlled substances, or hazardous substances. This limitation does not apply to the taking of a breath or urine sample.

(b) The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person does not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer.

(c) The physician, medical technician, ~~physician's trained mobile intensive care paramedic~~ emergency medical technician-paramedic, medical technologist, medical laboratory technician, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining the concentration of alcohol, controlled

substances, or hazardous substances is in no manner liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test must be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

Sec. 5. Minnesota Statutes 2000, section 169A.54, subdivision 6, is amended to read:

Subd. 6. [APPLICABILITY OF IMPLIED CONSENT REVOCATION.] ~~Except for a person whose license has been revoked under subdivision 2, and except for a person convicted of a violation of section 169A.20 (driving while impaired) while having a child under the age of 16 in the vehicle if the child is more than 36 months younger than the offender;~~ (a) Any person whose license has been revoked pursuant to section 169A.52 (license revocation for test failure or refusal) as the result of the same incident, and who does not have a qualified prior impaired driving incident, is subject to the mandatory revocation provisions of subdivision 1, clause (1) or (2), in lieu of the mandatory revocation provisions of section 169A.52.

(b) Paragraph (a) does not apply to:

(1) a person whose license has been revoked under subdivision 2 (driving while impaired by person under age 21);

(2) a person charged with violating section 169A.20 (driving while impaired) with the aggravating factor of having an alcohol concentration of 0.20 or more as measured at the time, or within two hours of the time, of the offense, and the person is convicted of that offense or any other offense described in section 169A.20 arising out of the same set of circumstances; or

(3) a person charged with violating section 169A.20 (driving while impaired) with the aggravating factor of having a child under the age of 16 in the vehicle and the child is more than 36 months younger than the offender, and the person is convicted of that offense or any other offense described in section 169A.20 arising out of the same set of circumstances.

Sec. 6. Minnesota Statutes 2000, section 169A.60, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given in this subdivision.

(b) "Motor vehicle" means a self-propelled motor vehicle other than a motorboat in operation or a recreational vehicle.

(c) "Plate impoundment violation" includes:

(1) a violation of section 169A.20 (driving while impaired) or 169A.52 (license revocation for test failure or refusal), or a conforming ordinance from this state or a conforming statute or ordinance from another state, that results in the revocation of a person's driver's license or driving privileges, within ten years of a qualified prior impaired driving incident;

(2) a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 within ten years of a qualified prior impaired driving incident;

(3) a violation of section 169A.20 or 169A.52 while having an alcohol concentration of 0.20 or more as measured at the time, or within two hours of the time, of the offense;

(4) a violation of section 169A.20 or 169A.52 while having a child under the age of 16 in the vehicle if the child is more than 36 months younger than the offender; and

(5) a violation of section 171.24 (driving without valid license) by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (10) (persons not eligible for driver's license, inimical to public safety).

(d) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the plate impoundment violation occurred.

Sec. 7. Minnesota Statutes 2000, section 171.09, is amended to read:

171.09 [COMMISSIONER MAY IMPOSE RESTRICTIONS.]

(a) The commissioner shall have the authority, when good cause appears, to impose restrictions suitable to the licensee's driving ability or such other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee. The commissioner may, upon receiving satisfactory evidence of any violation of the restrictions of the license, suspend or revoke the license. A license suspension under this section is subject to section 171.18, subdivisions 2 and 3.

(b) ~~It is unlawful for any person to operate~~ A person who drives, operates, or is in physical control of a motor vehicle ~~in any manner~~ while in violation of the restrictions imposed in a restricted driver's license issued to that person under paragraph (a) is guilty of a crime as follows:

(1) if the restriction relates to the possession or consumption of alcohol or controlled substances, the person is guilty of a gross misdemeanor; or

(2) if other than clause (1), the person is guilty of a misdemeanor.

Sec. 8. Minnesota Statutes 2000, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose driver's license has been revoked as provided in subdivision 1, except under section 169A.52 ~~or~~ 169A.54, or 609.21, shall pay a \$30 fee before the driver's license is reinstated.

(b) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52 ~~or~~ 169A.54, or 609.21, shall pay a \$250 fee plus a \$40 surcharge before the driver's license is reinstated. The \$250 fee is to be credited as follows:

(1) Twenty percent must be credited to the trunk highway fund.

(2) Fifty-five percent must be credited to the general fund.

(3) Eight percent must be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

(4) Twelve percent must be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account is appropriated as follows:

(i) the first \$200,000 in a fiscal year to the commissioner of children, families, and learning for programs for elementary and secondary school students; and

(ii) the remainder credited in a fiscal year to the commissioner of transportation to be spent as grants to the Minnesota highway safety center at St. Cloud State University for programs relating to alcohol and highway safety education in elementary and secondary schools.

(5) Five percent must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 35 percent for a contract with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 65 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this clause, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

- (i) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;
- (ii) the provision of a network of support for persons with traumatic brain injury, their families, and friends;
- (iii) the development and support of programs and services to prevent traumatic brain injury;
- (iv) the establishment of education programs for persons with traumatic brain injury; and
- (v) the empowerment of persons with traumatic brain injury through participation in its governance.

No patient's name, identifying information or identifiable medical data will be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian, or if the patient is a minor, of the parent or guardian of the patient.

(c) The \$40 surcharge must be credited to a separate account to be known as the remote electronic alcohol monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of finance on a monthly basis for deposit in the general fund.

(d) When these fees are collected by a licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

Sec. 9. Minnesota Statutes 2000, section 609.035, subdivision 2, is amended to read:

Subd. 2. (a) When a person is being sentenced for a violation of a provision listed in paragraph (e), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (e), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b), (c), and (f) of this subdivision.

(b) When a person is being sentenced for a violation of section 171.09, 171.20, 171.24, or 171.30, the court may not impose a consecutive sentence for another violation of a provision in chapter 171.

(c) When a person is being sentenced for a violation of section 169.791 or 169.797, the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(d) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135.

(e) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions as defined in section 169A.03 within the past ten years:

- (1) section 169A.20, subdivision 1, driving while impaired;

- (2) section 169A.20, subdivision 2, test refusal;
- (3) section 169.791, failure to provide proof of insurance;
- (~~3~~) (4) section 169.797, failure to provide vehicle insurance;
- (~~4~~) (5) section 171.09, violation of condition of restricted license;
- (6) section 171.20, subdivision 2, operation after revocation, suspension, cancellation, or disqualification;
- (~~5~~) (7) section 171.24, driving without valid license; and
- (~~6~~) (8) section 171.30, violation of condition of limited license.

(f) When a court is sentencing an offender for a violation of section 169A.20 and a violation of an offense listed in paragraph (e), and the offender has five or more qualified prior impaired driving incidents, as defined in section 169A.03, within the past ten years, the court shall sentence the offender to serve consecutive sentences for the offenses, notwithstanding the fact that the offenses arose out of the same course of conduct.

Sec. 10. Minnesota Statutes 2000, section 626.52, is amended to read:

626.52 [REPORTING OF SUSPICIOUS WOUNDS AND ALCOHOL-RELATED OR CONTROLLED SUBSTANCE-RELATED ACCIDENTS BY HEALTH PROFESSIONALS.]

Subdivision 1. [DEFINITION.] As used in this section, "health professional" means a physician, surgeon, person authorized to engage in the practice of healing, superintendent or manager of a hospital, nurse, or pharmacist.

Subd. 2. [HEALTH PROFESSIONALS REQUIRED TO REPORT.] (a) A health professional shall immediately report, as provided under section 626.53, to the local police department or county sheriff all bullet wounds, gunshot wounds, powder burns, or any other injury arising from, or caused by the discharge of any gun, pistol, or any other firearm, which wound the health professional is called upon to treat, dress, or bandage.

(b) A health professional shall report to the proper police authorities any wound that the reporter has reasonable cause to believe has been inflicted on a perpetrator of a crime by a dangerous weapon other than a firearm as defined under section 609.02, subdivision 6.

(c) When asked to do so by a peace officer, a health professional shall report to the officer instances in which the professional treats a person for an injury resulting from a motor vehicle accident when there is any evidence suggesting that the person involved in the accident has ingested alcohol or a controlled substance. Any person reporting in good faith and exercising due care has immunity from any liability, civil or criminal, that otherwise might result by reason of the person's actions pursuant to this paragraph. No cause of action may be brought against any person for not making a report pursuant to this paragraph.

Subd. 3. [REPORTING BURNS.] A health professional shall file a written report with the state fire marshal within 72 hours after being notified of a burn injury or wound that the professional is called upon to treat, dress, or bandage, if the victim has sustained second- or third-degree burns to five percent or more of the body, the victim has sustained burns to the upper respiratory tract or sustained laryngeal edema from inhaling superheated air, or the victim has sustained a burn injury or wound that may result in the victim's death. The state fire marshal shall provide the form for the report.

Sec. 11. Minnesota Statutes 2000, section 626.55, subdivision 1, is amended to read:

Subdivision 1. Any person who violates any provision of sections 626.52 to 626.55, other than section 626.52, subdivision 2, paragraph (c); or 3, is guilty of a gross misdemeanor.

Sec. 12. [REPEALER.]

Minnesota Statutes 2000, section 626.55, subdivision 2, is repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 7 and 9 to 12 are effective August 1, 2001, and apply to crimes committed on or after that date. Section 8 is effective July 1, 2001."

Delete the title and insert:

"A bill for an act relating to impaired driving; creating a reporting requirement for health professionals who have any evidence of injuries stemming from a traffic crash that was alcohol related, and providing civil and criminal immunity for failure to comply; providing courts with greater flexibility in using electronic alcohol monitoring to ensure compliance with alcohol abstinence during probation; extending the list of crimes for which consecutive sentencing is allowed to include a violation of the "no-alcohol" condition of a limited license; extending the list of permitted uses of an alcohol screening test to include a prosecution for a violation of the crime of refusing to submit to the chemical test; extending the list of DWI offenders who are ineligible for a shortened license revocation period to include any person whose alcohol concentration at the time of the violation exceeds 0.20; clarifying that a person who violates implied consent law with an alcohol concentration of 0.20 or more or during child endangerment is eligible for license plate impoundment; preventing vehicle forfeiture for first-time DWI offenders who might otherwise qualify; increasing the legal penalty to the level of a gross misdemeanor for a violation of the "no-alcohol" condition on a restricted driver's license, if the violation occurs while the person is driving a motor vehicle; raising the license reinstatement fee for a person convicted of criminal vehicular homicide or injury; providing penalties; amending Minnesota Statutes 2000, sections 169A.277, subdivision 2; 169A.28, subdivision 2; 169A.41, subdivision 2; 169A.51, subdivision 7; 169A.54, subdivision 6; 169A.60, subdivision 1; 171.09; 171.29, subdivision 2; 609.035, subdivision 2; 626.52; 626.55, subdivision 1; repealing Minnesota Statutes 2000, sections 626.55, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

Tuma from the Committee on Crime Prevention to which was referred:

H. F. No. 1519, A bill for an act relating to crime prevention; requiring submission of DNA evidence by offenders convicted of felony-level fifth degree criminal sexual conduct; clarifying and increasing the penalty for fleeing a peace officer when the commission of the crime results in death; expanding the crime of aiding an offender; allowing use of subsequent domestic abuse conduct as evidence in domestic abuse cases; amending Minnesota Statutes 2000, sections 609.117; 609.487, subdivision 4; 609.495, subdivisions 1 and 3; and 634.20.

Reported the same back with the following amendments:

Page 2, lines 6 and 27, strike the second comma

Page 2, line 7, strike everything before the semicolon

Page 2, line 28, strike everything before the period

Page 3, line 17, strike the second comma

Page 3, line 18, strike everything before the semicolon

Page 4, line 27, after "assists" insert "by word or acts"

Page 5, line 12, delete "or assists"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1524, A bill for an act relating to agriculture; regulating the use on turf of certain fertilizers containing phosphorus; limiting a penalty; amending Minnesota Statutes 2000, section 18C.231, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 18C.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2000, section 18C.211, subdivision 2, is amended to read:

Subd. 2. [GUARANTEES OF THE NUTRIENTS.] (a) A person may guarantee plant nutrients other than nitrogen, phosphorus, and potassium only if allowed or required by commissioner's rule.

(b) The guarantees for the plant nutrients must be expressed in the elemental form.

(c) The sources of other elements, oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the commissioner and with the advice of the director of the agricultural experiment station.

(d) If plant nutrients or other substances or compounds are guaranteed, the plant nutrients are subject to inspection and analyses in accord with the methods and rules prescribed by the commissioner.

(e) The commissioner may, by rule, require the potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton.

(f) The plant nutrients in a specialty fertilizer must not be below or exceed the guaranteed analysis by more than the investigational allowances established by rule."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "limiting amounts of certain plant nutrients;"

Page 1, line 5, delete "18C.231" and insert "18C.211"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1529, A bill for an act relating to agriculture; regulating pesticide application in certain schools; amending Minnesota Statutes 2000, section 18B.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18B.

Reported the same back with the following amendments:

Page 1, line 13, delete "planning," and insert "school's pest management plans and activities including"

Page 1, line 15, delete "program," and insert "plan, if one is adopted under section 121A.30, subdivision 8,"

Page 1, line 16, delete "as" and insert a period

Page 1, delete line 17

Page 1, line 19, after the headnote, insert "To the extent authorized under this chapter,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education Policy.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1734, A bill for an act relating to agriculture; providing for a level 1 feedlot inventory.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2000, section 116.07, is amended by adding a subdivision to read:

Subd. 7d. [EXEMPTION.] Notwithstanding subdivision 7 or other law or rule to the contrary, and notwithstanding the proximity to public or private waters, an owner or resident of agricultural land on which livestock have been allowed to pasture at any time during the ten-year period beginning January 1, 1990, is permanently exempt from requirements related to feedlot or manure management on that land for so long as the property remains in pasture.

Sec. 2. [116.0712] [FEEDLOT PERMIT CONDITIONS.]

(a) The agency shall not require feedlot permittees to prepare an air emission plan when the permittee has not violated state ambient air quality standards or state health risk values.

(b) The agency shall not require feedlot permittees to maintain records as to rainfall or snowfall as a condition of a general feedlot permit.

(c) A feedlot permittee shall give notice to the agency when the permittee proposes to transfer ownership or control of the feedlot to a new party. Agency approval of a proposed transfer of ownership or control is required only when the new owner or operator has a history of noncompliance with federal or state environmental laws.

(d) Two or more feedlot projects shall be considered part of a phased action as defined in Minnesota Rules, part 4410.0200, subpart 60, only when the feedlots are developed on contiguous parcels of land.

(e) If the owner of an animal feedlot requests an extension for an application for a National Pollutant Discharge Elimination permit or state disposal system permit by June 1, 2001, then the agency shall grant an extension for the application to September 1, 2001.

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

Page 1, line 7, delete everything after "shall"

Page 1, delete line 8

Page 1, line 9, delete "that" and insert "allow"

Page 2, after line 4, insert:

"Sec. 4. [REQUIRED RULE CHANGE; WASTEWATER FROM MILKHOUSES ON SMALL DAIRIES.]

Not later than August 1, 2001, the commissioner of the pollution control agency shall allow alternative methods for disposal of milkhouse process wastewaters by a dairy operation having 300 animal units or fewer. The intent of this section is to provide reasonable alternative means for small dairy producers to dispose of milkhouse process wastewaters. Allowable alternatives must include, among others, surface discharge of process wastewaters onto agricultural land as defined in Minnesota Statutes, section 103G.005, subdivision 2a, except discharge into type 4, 5, 6, or 7 wetlands as defined in Minnesota Statutes, section 103G.005, subdivision 17b."

Page 2, line 6, delete "1" and insert "3"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to agriculture; providing a waiver from liability for certain landowners; allowing certain alternative disposal methods; modifying feedlot provisions; providing for a level 1 feedlot inventory; amending Minnesota Statutes 2000, section 116.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 828, 933, 1067 and 1391 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

McElroy introduced:

H. F. No. 2115, A bill for an act relating to economic development; creating the biomedical innovation and commercialization initiative; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

McElroy; Westerberg; Clark, K.; Lindner and Gunther introduced:

H. F. No. 2116, A bill for an act relating to state government; repealing certain obsolete and redundant trade and economic development department programs and duties; repealing Minnesota Statutes 2000, sections 41A.066; 116J.541; 116J.542; 116J.8755; 116J.9671; 116J.980, subdivision 4; 116J.992.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Rhodes, Lipman, Folliard, Abrams and Goodno introduced:

H. F. No. 2117, A bill for an act relating to human services; excluding the raw food cost adjustment from certain nursing facility rate computations; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

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

Haas, Tingelstad, Evans, Greiling and Hackbarth introduced:

H. F. No. 2118, A bill for an act relating to transportation; appropriating money for grants to interregional trunk highway corridor coalitions.

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

Erickson introduced:

H. F. No. 2119, A bill for an act relating to charitable organizations; amending report filing requirements; amending Minnesota Statutes 2000, section 309.53, subdivisions 1, 2.

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

Dehler and Stanek introduced:

H. F. No. 2120, A bill for an act relating to public employees; defining public safety police dispatchers as essential employees; amending Minnesota Statutes 2000, section 179A.03, subdivision 7.

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

Daggett; Anderson, I.; Marquart; Cassell; Skoe; Murphy; Nornes and Howes introduced:

H. F. No. 2121, A bill for an act relating to taxation; property; providing for valuation and deferment of certain property whose current use and potential alternative use are not the same; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Leppik introduced:

H. F. No. 2122, A bill for an act relating to crimes; prohibiting making counterfeit drivers' licenses and identification cards or having instruments and material for counterfeiting drivers' licenses and identification cards; imposing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Sykora, Fuller, Juhnke, Pawlenty and Walker introduced:

H. F. No. 2123, A bill for an act relating to public safety; making appropriations for women's shelters.

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

Stang, Kalis, Harder, Lieder, Huntley, Kahn, Leppik, Eastlund, Tuma, Dehler, Carlson, Abeler, Dempsey, Daggett and Pawlenty introduced:

H. F. No. 2124, A bill for an act relating to taxes; sales and use; exempting additional classroom material; amending Minnesota Statutes 2000, section 297A.67, by adding a subdivision.

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

Dawkins introduced:

H. F. No. 2125, A bill for an act relating to taxation; individual income; providing that the education expense credit and deduction apply to certain expenditures for prekindergarten expenses and museum memberships; amending Minnesota Statutes 2000, sections 290.01, subdivision 19b; 290.0674, subdivision 1.

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

Leppik introduced:

H. F. No. 2126, A bill for an act relating to taxation; allowing taxpayers to request notices be given to holders of powers of attorney; proposing coding for new law in Minnesota Statutes, chapter 270.

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

Pawlenty, Opatz, Leighton, McElroy and Kuisle introduced:

H. F. No. 2127, A bill for an act relating to economic development; creating the biomedical innovation and commercialization initiative; providing a tax credit; proposing coding for new law in Minnesota Statutes, chapters 116J; 290.

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

Anderson, I., introduced:

H. F. No. 2128, A bill for an act relating to appropriations; appropriating money to the commissioner of trade and economic development for a grant to the northern counties land use coordinating board.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Westerberg introduced:

H. F. No. 2129, A bill for an act relating to liquor; authorizing additional on-sale intoxicating liquor licenses for the city of Blaine.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Larson and Davids introduced:

H. F. No. 2130, A bill for an act relating to insurance; regulating the life and health guaranty association; modifying coverages; assessments; rights and duties; amending Minnesota Statutes 2000, sections 61B.19, subdivisions 2, 3, 4, 5; 61B.20, subdivisions 1, 14, 15, 16, 17, 18, by adding subdivisions; 61B.22, subdivision 3; 61B.23, subdivisions 3, 4, 11, 12, 13, by adding subdivisions; 61B.24, subdivisions 4, 5, by adding subdivisions; 61B.26; 61B.27; 61B.28, subdivisions 1, 3, by adding a subdivision; 61B.29.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Mares, Sviggum, Pugh, Rhodes and Solberg introduced:

H. F. No. 2131, A bill for an act relating to local government; permitting retired employees to enroll in health coverage under the public employees insurance program during an annual open enrollment period; amending Minnesota Statutes 2000, section 43A.316, subdivision 8.

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

Harder, Kubly, Cassell, Otremba, Smith and Kalis introduced:

H. F. No. 2132, A bill for an act relating to marriage; changing the license fee; providing for a reduced fee for couples who obtain premarital education; providing for disposition of the fee; modifying funding mechanisms for parenting time centers and the MN ENABL program; appropriating money; amending Minnesota Statutes 2000, section 517.08, subdivisions 1b and 1c.

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

Gunther introduced:

H. F. No. 2133, A bill for an act relating to taxation; providing for tax exemptions for a cogeneration electric generation facility using waste tires as a primary fuel; amending Minnesota Statutes 2000, sections 272.02, by adding a subdivision; 297A.25, subdivision 28; 297A.71, by adding a subdivision.

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

Johnson, J.; Thompson; Erickson; Eastlund; Marquart; Penas and Jacobson introduced:

H. F. No. 2134, A bill for an act relating to education; prescribing certain requirements for statewide tests; amending Minnesota Statutes 2000, section 120B.30, subdivision 1.

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

Anderson, B.; Erickson; Oskopp; Kuisle; Mulder; Westrom; Lindner; Rifenberg and Olson introduced:

H. F. No. 2135, A bill for an act relating to eminent domain; restricting the sale of property acquired by eminent domain to a private person; proposing coding for new law in Minnesota Statutes, chapter 117.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Anderson, B.; Oskopp and Kuisle introduced:

H. F. No. 2136, A bill for an act relating to property rights; providing for the protection of private property rights from state agency actions; requiring the attorney general to develop guidelines to assist state agencies in evaluating proposed actions to determine whether they may constitute a taking; requiring state agencies to follow the guidelines and prepare reports; requiring consideration of the effects of a taking for property tax valuation purposes when determining the value of the property; proposing coding for new law in Minnesota Statutes, chapter 15.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Johnson, R.; Peterson; Schumacher and Juhnke introduced:

H. F. No. 2137, A bill for an act relating to agriculture; appropriating money for Minnesota farm cooperatives to continue and expand the Minnesota grown food project.

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

Mahoney; Johnson, S., and Mariani introduced:

H. F. No. 2138, A bill for an act relating to transportation; appropriating money for construction of Phalen Boulevard.

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

Winter, Otremba, Kalis, Schumacher and Anderson, I., introduced:

H. F. No. 2139, A bill for an act relating to appropriations; appropriating money to operate travel information centers.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Jaros introduced:

H. F. No. 2140, A bill for an act relating to crime prevention; creating a presumption that incarcerative sanctions be imposed only for defendants convicted of crimes of violence or when public safety would otherwise be served; providing for a sentencing hearing to determine imposition of incarcerative or nonincarcerative intermediate sanctions; requiring the sentencing guidelines commission to amend the sentencing guidelines consistent with the presumption; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Kielkucki introduced:

H. F. No. 2141, A bill for an act relating to corrections; allowing the retention of probation fees; appropriating money for county probation reimbursement; amending Minnesota Statutes 2000, section 241.272, subdivision 6.

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

Gleason, McElroy, Bernardy, Walker and Dawkins introduced:

H. F. No. 2142, A bill for an act relating to taxation; establishing the class rate of qualifying low-income rental housing; amending Minnesota Statutes 2000, section 273.13, subdivision 25.

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

Holsten introduced:

H. F. No. 2143, A bill for an act relating to retirement; providing certain survivor benefits under the public employees retirement association police and fire fund.

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

Holsten introduced:

H. F. No. 2144, A bill for an act relating to annexation; limiting annexation of urban towns to certain processes; amending Minnesota Statutes 2000, section 368.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Bernardy introduced:

H. F. No. 2145, A bill for an act relating to human services; establishing the older adult services grant program; funding the moratorium exception process; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Milbert and Pugh introduced:

H. F. No. 2146, A bill for an act relating to human services; providing an exception to the moratorium on the licensure and certification of nursing home beds; appropriating money; amending Minnesota Statutes 2000, section 144A.071, subdivision 4a.

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

Milbert and Pugh introduced:

H. F. No. 2147, A bill for an act relating to the city of South St. Paul; declaring that it is a public purpose for the city to transfer a certain parcel of real estate to a private entity for construction of single-family housing.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Holberg, Knoblach, Juhnke, Molnau and Workman introduced:

H. F. No. 2148, A bill for an act relating to motor carriers; incorporating federal regulations requiring drug and alcohol testing by motor carriers and for commercial motor vehicle operators; amending Minnesota Statutes 2000, section 221.0313.

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

Evans introduced:

H. F. No. 2149, A bill for an act relating to highways; appropriating money to construct noise barrier on marked trunk highway No. 10 in Mounds View.

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

Thompson introduced:

H. F. No. 2150, A bill for an act relating to insurance; regulating nonrenewals of homeowner's insurance; prohibiting various discriminatory practices in automobile and homeowner's insurance; amending Minnesota Statutes 2000, sections 65A.29, subdivision 8; 65B.28, subdivision 1; 72A.20, subdivisions 13, 23.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Hilstrom, Skoglund, Stanek and Fuller introduced:

H. F. No. 2151, A bill for an act relating to public safety; appropriating money to continue the operation of the Camp Ripley program for at-risk youth.

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

Folliard and Rhodes introduced:

H. F. No. 2152, A bill for an act relating to the city of Hopkins; authorizing the city to impose a food and beverage tax.

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

Seifert and Pelowski introduced:

H. F. No. 2153, A bill for an act relating to education; repealing the profile of learning portion of the high school graduation rule; amending graduation rule testing requirements; amending Minnesota Statutes 2000, sections 120B.02; 120B.30, subdivision 1; 120B.31, subdivision 4; 136A.233, subdivision 4; repealing Minnesota Statutes 2000, section 120B.031; Minnesota Rules, chapter 3501.

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

Kahn, Solberg, Holsten, Workman and Mares introduced:

H. F. No. 2154, A bill for an act relating to crimes; repealing the law prohibiting ticket scalping; repealing Minnesota Statutes 2000, section 609.805.

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

Swenson introduced:

H. F. No. 2155, A bill for an act relating to local government; clarifying liability of certain investment officials; amending Minnesota Statutes 2000, section 118A.02, subdivision 2.

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

Howes and Schumacher introduced:

H. F. No. 2156, A bill for an act relating to the legislature; authorizing legislative assistants for legislators; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Swenson introduced:

H. F. No. 2157, A bill for an act relating to the city of Gaylord; extending the time for approval of a special law relating to a tax increment financing district in the city.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Abrams, McElroy and Lenczewski introduced:

H. F. No. 2158, A bill for an act relating to metropolitan government; providing for the annual financing of metropolitan area transit and paratransit capital expenditures; authorizing the issuance of certain obligations; amending Minnesota Statutes 2000, section 473.39, by adding a subdivision.

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

Gerlach introduced:

H. F. No. 2159, A bill for an act relating to data privacy; classifying certain data relating to the examination of health maintenance organizations as nonpublic data; amending Minnesota Statutes 2000, section 62D.14, subdivision 4a.

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

Milbert and Abrams introduced:

H. F. No. 2160, A bill for an act relating to taxation; making certain property tax public hearings optional; requiring a reverse referendum for property tax levy increases in counties and certain cities; amending Minnesota Statutes 2000, sections 275.065, subdivisions 3, 5a, 6, 8, by adding a subdivision; 275.07, subdivision 1.

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

Stanek, Workman, Tuma, Pelowski and Rhodes introduced:

H. F. No. 2161, A bill for an act relating to highways; designating the State Trooper Theodore "Ted" Foss Memorial Highway; amending Minnesota Statutes 2000, section 161.14, by adding a subdivision.

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

Gray, Smith, Pugh, Skoglund, Walker, Entenza and Swapinski introduced:

H. F. No. 2162, A bill for an act relating to civil actions; requiring physicians to disclose all information regarding any errors in the diagnosis, care, or treatment of their patients or residents; providing civil penalties and remedies; amending Minnesota Statutes 2000, sections 144.651, subdivision 9; and 144.652, by adding a subdivision.

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

Kalis introduced:

H. F. No. 2163, A bill for an act relating to gambling; providing a comprehensive approach to the prevention and treatment of compulsive gambling funded by those who profit from gambling operations; appropriating money; amending Minnesota Statutes 2000, sections 245.982; 609.115, subdivision 9; Laws 1998, chapter 407, article 8, section 9.

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

Kahn; Hausman; Workman; Dibble; Clark, K.; Dawkins; Walker and Gray introduced:

H. F. No. 2164, A bill for an act relating to health; enacting the Compassionate Use Act to protect seriously ill patients from prosecution and prison for using medicinal marijuana under a physician's supervision; imposing criminal penalties; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Evans and McGuire introduced:

H. F. No. 2165, A bill for an act relating to natural resources; appropriating money for an interconnective pathway system to connect the city of Mounds View with Rice creek.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Jennings and Hilty introduced:

H. F. No. 2166, A bill for an act relating to historic sites; appropriating money for the North West Company Fur Post.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

McElroy introduced:

H. F. No. 2167, A bill for an act relating to municipal planning; providing standards for a municipality's land use plan and transportation plan; providing standards for planned urban areas; amending Minnesota Statutes 2000, section 462.352, subdivisions 6, 7, 18, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Vandever, Jacobson, Evans, Dempsey and Marko introduced:

H. F. No. 2168, A bill for an act relating to cities; allowing the charter to prohibit members of the governing body of the city from serving on the charter commission; amending Minnesota Statutes 2000, section 410.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Lieder, Skoe, Molnau and Anderson, I., introduced:

H. F. No. 2169, A bill for an act relating to taxation; providing for payments in lieu of taxation for certain wetlands acquired by the department of transportation; amending Minnesota Statutes 2000, sections 477A.12; 477A.14.

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

Davids introduced:

H. F. No. 2170, A bill for an act relating to insurance; regulating disclosures of nonpublic personal information; proposing coding for new law in Minnesota Statutes, chapter 72A.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Skoe introduced:

H. F. No. 2171, A bill for an act relating to higher education; appropriating money to the board of trustees of the Minnesota state colleges and universities to support continued Northwest technical college programs on Indian reservations.

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

Clark, J., introduced:

H. F. No. 2172, A bill for an act relating to human services; exempting certain nursing facilities from certain therapy services billing requirements; appropriating money; amending Minnesota Statutes 2000, section 256B.433, subdivision 3a.

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

Howes introduced:

H. F. No. 2173, A bill for an act relating to the city of Park Rapids; extending the time period for certain activities in a tax increment financing district in the city.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Osskopp introduced:

H. F. No. 2174, A bill for an act relating to motor vehicles; authorizing use of unmarked motor vehicles by investigators of gambling control board and exempting their vehicles from payment of registration tax; amending Minnesota Statutes 2000, sections 16B.54, subdivision 2; 168.012, subdivision 1.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 47, A bill for an act relating to economic development; requiring a closed iron mine and related facilities to be maintained for a period of time; providing extra unemployment benefits for certain workers laid off from the LTV Mining Company; amending Minnesota Statutes 2000, section 93.003.

The Senate has appointed as such committee:

Senators Johnson, Doug; Rest; Day; Knutson and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Pawlenty, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Rule 4.03 of the Permanent Rules of the House for the 82nd Session shall be amended to read as follows:

"4.03 WAYS AND MEANS COMMITTEE; BUDGET RESOLUTION; EFFECT ON EXPENDITURE AND REVENUE BILLS. The Committee on Ways and Means must hold hearings as necessary to determine state expenditures and revenues for the fiscal biennium.

Within 20 days after the last state general fund revenue and expenditure forecast for the next fiscal biennium becomes available during the regular session in the odd-numbered year, the Committee on Ways and Means must adopt and report a budget resolution, in the form of a House resolution. The budget resolution must set: (a) the maximum limit on net expenditures for the next fiscal biennium for the general fund, excluding any increased expenditures for tax reduction and relief; and (b) an amount or amounts to be set aside as a budget reserve and a cash flow account. The House budget resolution must not specify, limit, or prescribe revenues or expenditures by any category other than those specified in clauses (a) and (b). After the House adopts the budget resolution, the limits in the resolution are effective during the regular session in the year in which the resolution is adopted, unless the House, acting upon a subsequent report of the Committee on Ways and Means, adopts a different limit or limits for the same fiscal biennium. During the regular session in the even-numbered year, before the Committee on Ways and Means reports a bill containing net expenditures in excess of the general fund expenditures in the current fiscal biennium estimated by the most recent state budget forecast, the Committee must adopt a budget resolution that accounts for the net expenditures. After the Committee adopts the budget resolution, it is effective during the regular session that year, unless the Committee adopts a different or amended resolution.

Within 14 days after the House or the Committee on Ways and Means adopts a budget resolution, the Committee must adopt, by resolution, limits for each budget category represented by the major finance and revenue bills identified in this Rule. The Committee may also, by resolution, set limits for funds other than the general fund. After the Committee adopts a resolution, the limits in the resolution are effective during the regular session in the year in which the resolution is adopted, unless the Committee subsequently adopts different or amended limits for the same fiscal biennium.

The Committee on Ways and Means may not combine any of the major finance or revenue bills.

Major finance and revenue bills are:

- the agriculture and rural development finance bill;
- the higher education finance bill;
- the K-12 education finance bill;
- the family and early childhood education finance bill;
- the environment and natural resources finance bill;
- the health and human services finance bill;
- the state government finance bill;
- the jobs and economic development finance bill;
- the transportation finance bill;
- the judiciary finance bill;
- the omnibus capital investment bill; and
- the omnibus tax bill.

After the adoption of a resolution by the House or by the Committee on Ways and Means, each finance committee, the Committee on Capital Investment, and the Committee on Taxes must reconcile each finance and revenue bill described in Rule 4.10 and Rule 4.11 with the resolution or resolutions. When reporting a bill, the committee must provide to the Committee on Ways and Means a fiscal statement on the bill and a written statement certifying that the committee has reconciled the fiscal effect of the bill with the resolution or resolutions and that the bill, as reported by the committee, together with other bills reported and expected to be reported by the committee, does not and will not exceed the limits specified in the resolution or resolutions.

After the adoption of a resolution by the House or the Committee on Ways and Means, the Committee on Ways and Means must reconcile finance and revenue bills with the resolution or resolutions. When reporting a bill, the chair of the Committee must certify to the House that the Committee has reconciled the bill with the resolution or resolutions and that the bill, as reported by the Committee, together with other bills reported and expected to be reported by the Committee, does not and will not exceed the limits specified in the resolution or resolutions.

After the adoption of a resolution by the House or the Committee on Ways and Means, an amendment to a bill is out of order if it would cause any of the limits specified in the resolution or resolutions to be exceeded. Whether an amendment is out of order under this Rule is a question to be decided on the Floor by the Speaker or other presiding officer and in committee by the person chairing the committee meeting. In making the determination, the Speaker or other presiding officer or the committee chair may consider: (1) the limits in a resolution; (2) the effect

of existing laws on revenues and expenditures; (3) the effect of amendments previously adopted to the bill under consideration; (4) the effect of bills previously recommended by a committee or bills previously passed in the legislative session by the House or by the legislature; (5) whether expenditure increases or revenue decreases that would result from the amendment are offset by decreases in other expenditures or increases in other revenue specified by the amendment; and (6) other information reasonably related to expenditure and revenue amounts.

After a resolution is adopted by the House or the Committee on Ways and Means, the Committee must cause to be published a summary of the estimated fiscal effect on the general fund of each bill that has been referred to the Committee on Ways and Means by a finance committee, the Capital Investment Committee, or the Committee on Taxes and of each bill that has been reported by the Committee on Ways and Means."

Rule 4.12 of the Permanent Rules of the House for the 82nd Session shall be amended to read as follows:

"4.12 BILLS AFFECTING DEBT AND CAPITAL PROJECTS. The Committee on Capital Investment has jurisdiction over legislation affecting debt obligations issued by the state and capital projects of the state, including the planning, acquiring and bettering of public lands and buildings and other state projects of a capital nature. Except as provided in Rule 1.15, a House or Senate bill that directly and specifically affects debt obligations or capital projects of the state must be referred to the Committee on Capital Investment before the bill receives its second reading.

Referral is not required by this Rule if the bill deals primarily with the financing of state capital facilities using trunk highway funds, with transportation projects financed without debt obligations of the state, or with the local financing of capital facilities of local governments. Referral is not required by this Rule if the bill has a negligible effect on debt obligations and capital projects of the state as determined by the chair of the Committee on Capital Investment with the concurrence of the chair of the Committee on Ways and Means. Referral is not required by this Rule if the bill is a major finance or revenue bill identified in Rule 4.03, unless the bill directly and specifically affects debt obligations of the state, but if a major finance or revenue bill contains a provision that directly and specifically affects capital projects of the state, the chair of the finance or tax committee reporting the bill must notify the chair of the Committee on Capital Investment of the provision before the bill is considered by the House.

The Speaker, by announcement, must assign to each finance committee the appropriate jurisdiction for recommendations on debt obligations and capital projects of the state. The finance committee must submit recommendations within its jurisdiction to the committee on Capital Investment for further disposition. The Committee on Capital Investment must enter in the committee record the recommendations of each finance committee that submits recommendations. If a recommendation of the finance committee with jurisdiction expressly disapproves appropriations or the issuance of debt obligations for a specific capital project, the Capital Investment Committee may not report a bill authorizing appropriations or the issuance of debt for that project.

A bill with a fiscal effect reported by the Committee on Capital Investment must be accompanied by a statement of its fiscal effect, is exempt from the referral required by Rule 4.10, and must be referred to the Committee on Ways and Means. This referral is not required if the bill has a negligible fiscal effect, as determined by the chair of the Committee on Capital Investment with the concurrence of the chair of the Committee on Ways and Means."

A roll call was requested and properly seconded.

POINT OF ORDER

Pugh raised a point of order pursuant to section 65 of "Mason's Manual of Legislative Procedure," relating to Finality of Actions. The Speaker ruled the point of order not well taken.

Anderson, I., moved to amend the Report from the Committee on Rules and Legislative Administration relating to the Permanent Rules of the House for the 82nd Session as follows:

Page 1, line 11, after the period, insert "The per diem payment for House members pursuant to House Rule 8.10 must be up to the amount of \$66 per day during the sessions and interims of the 82nd Legislature, retroactive to January 1, 2001."

Page 1, line 11, start a new paragraph beginning with "The Committee"

The question was taken on the Anderson, I., amendment and the roll was called. There were 44 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Kahn	Mariani	Pugh	Walker
Bakk	Greiling	Kalis	McGuire	Rukavina	Wasiluk
Carlson	Hausman	Kelliher	Milbert	Sertich	Wenzel
Clark, K.	Hilstrom	Kubly	Mullery	Skoe	Winter
Davnie	Hilty	Leighton	Murphy	Skoglund	
Dawkins	Jaros	Lieder	Ness	Solberg	
Dibble	Johnson, S.	Luther	Osthoff	Stanek	
Dorn	Juhnke	Mahoney	Peterson	Wagenius	

Those who voted in the negative were:

Abeler	Eastlund	Holberg	Leppik	Paulsen	Swenson
Abrams	Entenza	Holsten	Lindner	Pawlenty	Sykora
Anderson, B.	Erhardt	Howes	Lipman	Paymar	Thompson
Bernardy	Erickson	Huntley	Mares	Pelowski	Tingelstad
Bishop	Evans	Jacobson	Marko	Penas	Tuma
Boudreau	Finseth	Jennings	Marquart	Rhodes	Vandever
Bradley	Folliard	Johnson, J.	McElroy	Rifenberg	Walz
Buesgens	Fuller	Johnson, R.	Molnau	Ruth	Westerberg
Cassell	Gerlach	Kielkucki	Mulder	Schumacher	Westrom
Clark, J.	Goodno	Knoblach	Nornes	Seagren	Wilkin
Daggett	Goodwin	Koskinen	Olson	Seifert	Wolf
Davids	Gunther	Krinkie	Opatz	Slawik	Workman
Dehler	Haas	Kuisle	Osskopp	Smith	Spk. Sviggum
Dempsey	Hackbarth	Larson	Otremba	Stang	
Dorman	Harder	Lenczewski	Ozment	Swapinski	

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

The question recurred on the Pawlenty motion that the Report from the Committee on Rules and Legislative Administration be now adopted and the roll was called. There were 68 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Clark, J.	Dempsey	Erickson	Goodno
Abrams	Bradley	Daggett	Dorman	Finseth	Gunther
Anderson, B.	Buesgens	Davids	Eastlund	Fuller	Haas
Bishop	Cassell	Dehler	Erhardt	Gerlach	Hackbarth

Harder	Krinkie	Mulder	Rhodes	Swenson	Wilkin
Holberg	Kuisle	Ness	Rifenberg	Sykora	Wolf
Holsten	Leppik	Nornes	Ruth	Tingelstad	Workman
Howes	Lindner	Osskopp	Seagren	Tuma	Spk. Sviggum
Jacobson	Lipman	Ozment	Seifert	Vandever	
Johnson, J.	Mares	Paulsen	Smith	Walz	
Kielkucki	McElroy	Pawlenty	Stanek	Westerberg	
Knoblach	Molnau	Penas	Stang	Westrom	

Those who voted in the negative were:

Anderson, I.	Evans	Johnson, R.	Lieder	Opatz	Slawik
Bakk	Folliard	Johnson, S.	Luther	Osthoff	Solberg
Bernardy	Gleason	Juhnke	Mahoney	Paymar	Swapinski
Biernat	Goodwin	Kahn	Mariani	Pelowski	Thompson
Carlson	Greiling	Kalis	Marko	Peterson	Wagenius
Clark, K.	Hausman	Kelliher	Marquart	Pugh	Walker
Davnie	Hilstrom	Koskinen	McGuire	Rukavina	Wasiluk
Dawkins	Hilty	Kubly	Milbert	Schumacher	Wenzel
Dibble	Huntley	Larson	Mullery	Sertich	Winter
Dorn	Jaros	Leighton	Murphy	Skoe	
Entenza	Jennings	Lenczewski	Olson	Skoglund	

The motion prevailed and the Report from the Committee on Rules and Legislative Administration amending the Permanent Rules of the House for the 82nd Session was adopted.

CALENDAR FOR THE DAY

Pawlenty moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Goodno moved that the name of Dorn be added as an author on H. F. No. 693. The motion prevailed.

Goodno moved that the name of Dorn be added as an author on H. F. No. 926. The motion prevailed.

Gunther moved that the names of Dorn and Clark, J., be added as authors on H. F. No. 1003. The motion prevailed.

Dorman moved that the name of Rifenberg be added as an author on H. F. No. 1356. The motion prevailed.

Dorn moved that the name of Entenza be added as chief author on H. F. No. 1655. The motion prevailed.

Goodno moved that the name of Nornes be added as an author on H. F. No. 1832. The motion prevailed.

Dauids moved that the name of Dempsey be added as an author on H. F. No. 1868. The motion prevailed.

Dibble moved that his name be stricken and the name of Holberg be added as chief author on H. F. No. 1898. The motion prevailed.

Holberg moved that her name be stricken and the name of Dibble be added as chief author on H. F. No. 1959. The motion prevailed.

Seifert moved that the name of Rifenberg be added as an author on H. F. No. 2032. The motion prevailed.

Ness moved that the name of Nornes be added as an author on H. F. No. 2048. The motion prevailed.

Kielkucki moved that the names of Eastlund; Erickson; Johnson, J.; Wilkin; Cassell and Rifenberg be added as authors on H. F. No. 2057. The motion prevailed.

Buesgens moved that the names of Eastlund; Johnson, J., and Nornes be added as authors on H. F. No. 2064. The motion prevailed.

Johnson, J., moved that the names of Nornes and Rifenberg be added as authors on H. F. No. 2107. The motion prevailed.

NOTICE OF INTENTION TO DEBATE A RESOLUTION

Pursuant to House Rule 2.21, Pugh gave notice of his intention to debate House Resolution No. 8. The resolution was laid over one day.

Bakk moved that H. F. No. 429 be recalled from the Committee on Transportation Policy and be re-referred to the Committee on Regulated Industries. The motion prevailed.

Paymar moved that H. F. No. 1228 be recalled from the Committee on Judiciary Finance and be re-referred to the Committee on Crime Prevention. The motion prevailed.

Hilstrom moved that H. F. No. 1516 be recalled from the Committee on Crime Prevention and be re-referred to the Committee on Civil Law. The motion prevailed.

Holberg moved that H. F. No. 1944 be recalled from the Committee on Transportation Policy and be re-referred to the Committee on Local Government and Metropolitan Affairs. The motion prevailed.

Olson moved that H. F. No. 1984 be recalled from the Committee on Jobs and Economic Development Finance and be re-referred to the Committee on Environment and Natural Resources Policy. The motion prevailed.

Olson moved that H. F. No. 2092 be recalled from the Committee on Environment and Natural Resources Policy and be re-referred to the Committee on Environment and Natural Resources Finance. The motion prevailed.

Mullery moved that S. F. No. 741 be recalled from the Committee on Commerce, Jobs and Economic Development and together with H. F. No. 828, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Jaros introduced:

House Resolution No. 11, A house resolution concerning citizens' rights to food, housing, and health care.

The resolution was referred to the Committee on Health and Human Services Policy.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, March 26, 2001. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, March 26, 2001.

EDWARD A. BURDICK, Chief Clerk, House of Representatives