

## STATE OF MINNESOTA

## EIGHTY-SECOND SESSION — 2001

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 THIRTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 5, 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 Father Val Messerich, St. Mathias Catholic Church, Hampton, 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	Dorman	Hilty	Lenczewski	Osskopp	Solberg
Abrams	Dorn	Holberg	Leppik	Osthoff	Stang
Anderson, B.	Eastlund	Holsten	Lieder	Ozment	Swapinski
Anderson, I.	Entenza	Howes	Lindner	Paulsen	Swenson
Bakk	Erhardt	Huntley	Lipman	Pawlenty	Sykora
Bernardy	Erickson	Jacobson	Luther	Paymar	Thompson
Biernat	Evans	Jaros	Mahoney	Pelowski	Tingelstad
Bishop	Finseth	Jennings	Mares	Penas	Tuma
Boudreau	Folliard	Johnson, J.	Mariani	Peterson	Vandever
Bradley	Fuller	Johnson, R.	Marko	Pugh	Wagenius
Buesgens	Gerlach	Johnson, S.	Marquart	Rhodes	Walker
Carlson	Gleason	Juhnke	McElroy	Rifenberg	Walz
Cassell	Goodno	Kahn	McGuire	Rukavina	Wasiluk
Clark, J.	Goodwin	Kalis	Milbert	Ruth	Wenzel
Clark, K.	Gray	Kelliher	Molnau	Schumacher	Westerberg
Daggett	Greiling	Kielkucki	Mulder	Seagren	Westrom
Davids	Gunther	Knoblach	Mullery	Seifert	Wilkin
Davnie	Haas	Koskinen	Murphy	Sertich	Winter
Dawkins	Hackbarth	Kubly	Ness	Skoe	Wolf
Dehler	Harder	Kuisle	Nornes	Skoglund	Workman
Dempsey	Hausman	Larson	Olson	Slawik	Spk. Sviggum
Dibble	Hilstrom	Leighton	Opatz	Smith	

A quorum was present.

Krinkie, Otremba and Stanek were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Ness 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**

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 205, A bill for an act relating to civil actions; providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it; proposing coding for new law in Minnesota Statutes, chapter 332.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Civil Law without further recommendation.

The report was adopted.

Krinkie from the Committee on State Government Finance to which was referred:

H. F. No. 351, A bill for an act relating to crime; establishing a felony level driving while impaired offense; amending Minnesota Statutes 2000, sections 169A.03, by adding a subdivision; 169A.20, subdivision 3; 169A.25; 169A.26; 169A.27; 169A.275, subdivisions 3 and 5; 169A.283, subdivision 1; 169A.40, subdivision 3; and 169A.63, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 169A; repealing Minnesota Statutes 2000, section 169A.275, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"Section 1. [8.015] [CHARGES TO COUNTY.]

The attorney general must bill a county for the cost of services the attorney general provides to a county in a first-degree driving while impaired case under section 169A.24. Money received by the attorney general under this section must be deposited in the general fund."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "chapter" and insert "chapters 8; and"

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

The report was adopted.

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

H. F. No. 632, A bill for an act relating to employment; requiring paid leave for organ donation; amending Minnesota Statutes 2000, section 181.945.

Reported the same back with the following amendments:

Page 2, line 1, after the period, insert "For purposes of organ or partial organ donation, this section applies only to the state and political subdivisions."

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

The report was adopted.

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

H. F. No. 661, A bill for an act relating to professions; creating the Accountancy Act of 2001; authorizing rulemaking; imposing penalties; amending Minnesota Statutes 2000, sections 3.972, subdivision 1; 116J.70, subdivision 2a; 214.01, subdivision 3; 319B.02, subdivision 19; 326.53; 367.36, subdivision 1; 412.222; 471.49, subdivision 10; and 544.42, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 326A; repealing Minnesota Statutes 2000, sections 326.165; 326.1655; 326.17; 326.18; 326.19; 326.191; 326.192; 326.197; 326.20; 326.201; 326.21; 326.211; 326.212; 326.22; 326.223; 326.224; 326.225; 326.228; and 326.229.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### REGULATION OF ACCOUNTANCY

Section 1. [TITLE.]

This act may be cited as the "Accountancy Act of 2001."

Sec. 2. [PURPOSE.]

It is the policy of this state, and the purpose of this act, to promote the reliability of information that is used for guidance in financial transactions or for accounting for, or assessing the financial status or performance of, commercial, noncommercial, and governmental enterprises. The public interest requires that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of such information must have demonstrated their qualifications to do so, and that persons who have not demonstrated and maintained such qualifications, not be permitted to represent themselves as having such special competence or to offer such assurance; that the conduct of persons licensed or registered as having special competence in accountancy be regulated in all aspects of their professional work; that a public authority competent to prescribe and assess the qualifications and to regulate the conduct of licensees and registrants be established; and that the use of titles that have a capacity or tendency to deceive the public as to the status or competence of the persons using such titles be prohibited.

Sec. 3. [326A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] When used in this chapter, the terms in this section have the meanings given.

Subd. 2. [ATTEST.] "Attest" means to provide the following financial statement services:

(1) an audit or other engagement performed in accordance with the Statements on Auditing Standards (SAS);

(2) a review of a financial statement performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS); and

(3) an examination of prospective financial information performed in accordance with the Statements on Standards for Attestation Engagements (SSAE).

Subd. 3. [BOARD.] "Board" means the Minnesota board of accountancy established under section 326A.02 or its predecessor under prior law.

Subd. 4. [CERTIFICATE.] "Certificate" means a certificate as a certified public accountant issued under section 326A.04, or corresponding provisions of prior law, or a corresponding certificate as certified public accountant issued after examination under the law of any other state.

Subd. 5. [CLIENT.] "Client" means a person or entity that agrees with a licensee, a person registered under section 326A.06, paragraph (b), or the person's or licensee's employers to receive any professional service.

Subd. 6. [COMPILATION.] "Compilation" means the provision of a service performed in accordance with Statements on Standards for Accounting and Review Services (SSARS) that presents in the form of financial statements information that is the representation of management or owners without undertaking to express any assurance on the statements.

Subd. 7. [CPA FIRM.] "CPA Firm" means a sole proprietorship, a corporation, a partnership, or any other form of organization issued a permit under section 326A.05.

Subd. 8. [LICENSE.] "License" means a certificate issued under section 326A.04, a permit issued under section 326A.05, or a certificate or permit issued under corresponding provisions of prior law.

Subd. 9. [LICENSEE.] "Licensee" means the holder of a license.

Subd. 10. [MANAGER.] "Manager" means a manager of a limited liability company.

Subd. 11. [MEMBER.] "Member" means a member of a limited liability company.

Subd. 12. [PEER REVIEW.] "Peer review" means a study, appraisal, or review of one or more aspects of the professional work of a certificate holder or CPA firm that performs attest or compilation services, or the professional work of a person registered under section 326A.06, paragraph (b), by a person or persons who hold certificates and who are not affiliated with the certificate holder, CPA firm, or person being reviewed.

Subd. 13. [PERMIT.] "Permit" means a permit to practice as a CPA firm issued under section 326A.05, or corresponding provisions of prior law, or under corresponding provisions of the laws of other states.

Subd. 14. [PROFESSIONAL.] "Professional" means arising out of or related to the specialized knowledge or skills associated with certified public accountants or persons registered under section 326A.06, paragraph (b).

Subd. 15. [REPORT.] "Report," when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statements and that also includes or is accompanied by a statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term "report" includes any form of language that disclaims an opinion when the form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to or special competence on the part of the person or firm issuing the language. It includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

Subd. 16. [STATE.] "State" means any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam; except that "this state" means the state of Minnesota.

Subd. 17. [SUBSTANTIAL EQUIVALENCY.] "Substantial equivalency" is a determination under section 326A.14 by the board of accountancy or its designee that the education, examination, and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to, or exceed the education, examination, and experience requirements contained in this chapter or that an individual CPA's education, examination, and experience qualifications are comparable to or exceed the education, examination, and experience requirements contained in this chapter.

Sec. 4. [326A.02] [STATE BOARD OF ACCOUNTANCY.]

Subdivision 1. [BOARD.] A board of accountancy is created to carry out the purposes and enforce the provisions of this chapter. It consists of nine citizens of this state appointed by the governor. Two must be public members as defined by section 214.02, and seven must be certified public accountants under the provisions of this chapter. Effective January 1, 2003, no fewer than five of the certified public accountants must be owners or employees of a CPA firm that holds a current permit and provides professional services at the time of appointment and reappointment. At least two of the seven certified public accountants at the time of appointment and reappointment must be owners or employees of a CPA firm that:

- (1) holds a current permit;
- (2) provides professional services; and
- (3) consists of ten or fewer certified public accountants.

Subd. 2. [MEMBERSHIP CONDITIONS.] Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements are as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in this chapter and chapter 214.

Any member of the board whose certificate under section 326A.04 is revoked or suspended automatically ceases to be a member of the board.

Subd. 3. [OFFICERS; PROCEEDINGS.] The board shall elect one of its number as chair, another as vice-chair, and another as secretary and treasurer. The officers shall hold their respective offices for a term of one year and until their successors are elected. The affirmative vote of a majority of the qualified members of the board is considered the action of the board. The board shall meet at such times and places as may be fixed by the board. Meetings of the board are subject to chapter 13D. A majority of the board members then in office constitutes a quorum at any meeting duly called. The board shall have a seal, which must be judicially noticed. The board shall retain or arrange for the retention of all applications and all documents under oath that are filed with the board and also records of its proceedings, and it shall maintain a registry of the names and addresses of all licensees and registrants under this chapter. In any proceeding in court, civil or criminal, arising out of or founded upon any provision of this chapter, copies of records of the proceeding certified as true copies under the seal of the boards shall be admissible in evidence as tending to prove the contents of the records.

Subd. 4. [POWERS.] The board may issue subpoenas to compel the attendance of witnesses and the production of documents, to administer oaths, to take testimony, to cooperate with the appropriate authorities in other states in investigation and enforcement concerning violations of this chapter and comparable acts of other states, and to receive evidence concerning all matters within the scope of this chapter. In case of disobedience of a subpoena, the board may invoke the aid of any court in requiring the attendance and testimony of witnesses and the production of documentary evidence. The board, its members, and its agents are immune from personal liability for actions taken in good faith in the discharge of the board's responsibilities, and the state shall hold the board, its members, and its

agents harmless from all costs, damages, and attorneys' fees arising from claims and suits against them with respect to matters to which such immunity applies. The board shall enforce the standard of general education, the standard of special education in the science and art of accounting, and the standard of good character and general experience, as prescribed in this chapter.

Subd. 5. [RULES.] The board may adopt rules governing its administration and enforcement of this chapter and the conduct of licensees and persons registered under section 326A.06, paragraph (b), including:

- (1) rules governing the board's meetings and the conduct of its business;
- (2) rules of procedure governing the conduct of investigations and hearings and discipline by the board;
- (3) rules specifying the educational and experience qualifications required for the issuance of certificates and the continuing professional education required for renewal of certificates;
- (4) rules of professional conduct directed to controlling the quality and probity of services by licensees, and dealing among other things with independence, integrity, and objectivity; competence and technical standards; and responsibilities to the public and to clients;
- (5) rules governing the professional standards applicable to licensees including adoption of the statements on standards specified in section 326A.01, subdivision 2, and as developed for general application by recognized national accountancy organizations such as the American Institute of Certified Public Accountants;
- (6) rules governing the manner and circumstances of use of the titles "certified public accountant," "CPA," "registered accounting practitioner," and "RAP";
- (7) rules regarding peer review that may be required to be performed under provisions of this chapter;
- (8) rules on substantial equivalence to implement section 326A.14;
- (9) rules regarding the conduct of the certified public accountant examination;
- (10) rules regarding the issuance and renewals of certificates, permits, and registrations;
- (11) rules regarding transition provisions to implement this chapter;
- (12) rules specifying the educational and experience qualifications for registration, rules of professional conduct, rules regarding peer review, rules governing standards for providing services, and rules regarding the conduct and content of examination for those persons registered under section 326A.06, paragraph (b); and
- (13) rules regarding fees for examinations, certificate issuance and renewal, firm permits, registrations under section 326A.06, paragraph (b), notifications made under section 326A.14, and late processing fees.

Subd. 6. [COMPLAINT COMMITTEE.] The board shall establish a complaint committee to investigate, mediate, or initiate administrative or legal proceedings on behalf of the board with respect to complaints filed with or information received by the board alleging or indicating violations of this chapter. The complaint committee shall consist of three members of the board.

Subd. 7. [EXPENSES OF ADMINISTRATION.] The expenses of administering this chapter must be paid from appropriations made to the board.

Sec. 5. [326A.03] [QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT.]

Subdivision 1. [QUALIFICATIONS.] The certificate of certified public accountant shall be granted to persons of good moral character who meet the education, experience, and examination requirements of this section and rules adopted under it and who apply under section 326A.04.

Good moral character for purposes of this section means lack of a history of dishonest or felonious acts. The board may refuse to grant a certificate on the ground of failure to satisfy this requirement only if there is a substantial connection between the lack of good moral character of the applicant and the professional responsibilities of a licensee and if the finding by the board of lack of good moral character is supported by clear and convincing evidence. When an applicant is found to be unqualified for a certificate because of a lack of good moral character, the board shall furnish the applicant a statement containing the findings of the board, a complete record of the evidence upon which the determination was based, and a notice of the applicant's right of appeal.

Subd. 2. [EDUCATIONAL AND EXPERIENCE REQUIREMENTS TO TAKE EXAMINATION BEFORE JULY 1, 2006.] Until July 1, 2006, the examination must be administered by the board only to a candidate who:

(1) holds a master's degree with a major in accounting from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education;

(2) holds a baccalaureate degree, with a major in accounting, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or who has in the opinion of the board at least an equivalent education;

(3) holds a baccalaureate degree from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or who has in the opinion of the board at least an equivalent education, provided that at least one year of experience of the type specified in subdivision 8 has been completed;

(4) provides evidence of having completed two or more years of study with a passing grade average or above from a college, university, technical college, or a Minnesota licensed private school that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or who has in the opinion of the board at least an equivalent education, provided that at least three years experience of the type specified in subdivision 8 has been completed; or

(5) holds a diploma as a graduate of an accredited high school, or who has in the opinion of the board at least an equivalent education, provided that at least five years experience of the type specified in subdivision 8 has been completed.

Subd. 3. [EDUCATIONAL REQUIREMENTS TO TAKE EXAMINATION ON OR AFTER JULY 1, 2006.] On or after July 1, 2006, the examination must be administered by the board only to a candidate who has a baccalaureate or higher degree, with a major in accounting or a major in business with accounting emphasis, or an equivalent education, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or an equivalent accrediting association.

Subd. 4. [EXAMINATION REQUIREMENTS.] (a) The examination required to be passed as a condition for the granting of a certificate must be held as often as convenient, in the opinion of the board, and must test the applicant's knowledge of the subjects of accounting and auditing, and other related subjects that the board may specify by rule, including but not limited to business law and taxation. The time for holding the examination must be determined by the board and may be changed from time to time. The board shall prescribe by rule the methods of applying for and conducting the examination, including methods for grading and determining a passing grade required of an applicant for a certificate. However, the board shall to the extent possible ensure that the examination itself, grading of the examination, and the passing grades, are uniform with those applicable in all other states. The board may

make such use of all or any part of the Uniform Certified Public Accountant Examination and Advisory Grading Service of the American Institute of Certified Public Accountants and may contract with third parties to perform administrative services with respect to the examination that it considers appropriate to assist it in performing its duties under this paragraph.

(b) The board may charge, or provide for a third party administering the examination to charge, each applicant a fee.

Subd. 5. [EXPERIENCE REQUIREMENTS FOR CERTIFICATE BEFORE JULY 1, 2006.] Until July 1, 2006, those persons who have passed the examination required by this section and who meet all other requirements for a certificate, including payment of required fees, must be granted certificates as certified public accountants, providing that they have completed the following experience requirements of the type specified in subdivision 8 in addition to any experience already required in subdivision 2:

(1) for those whose educational qualifications meet the requirements of subdivision 2, clause (1), the experience requirement is one year;

(2) for those whose educational qualifications meet the requirements of subdivision 2, clause (2), the experience requirement is two years;

(3) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (3), the additional required experience is two years;

(4) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (4), the additional required experience is two years; and

(5) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (5), the additional required experience is one year.

Subd. 6. [EXPERIENCE AND EDUCATIONAL REQUIREMENTS FOR CERTIFICATE ON OR AFTER JULY 1, 2006.] (a) On or after July 1, 2006, those persons who have passed the examination required in this section must be granted certificates as certified public accountants provided they certify to the board that they have completed at least 150 semester or 225 quarter hours at a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association, and have completed at least one year of experience of the type specified in paragraph (b).

(b) An applicant for initial issuance of a certificate under this subdivision shall show that the applicant has had one year of experience. Acceptable experience includes providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, as verified by a licensee and meeting requirements prescribed by the board by rule. Acceptable experience may be gained through employment in government, industry, academia, or public practice. Experience as an auditor in the office of the legislative auditor or state auditor, as verified by a licensee, shall be acceptable experience.

Subd. 7. [EQUIVALENT EDUCATION CRITERIA.] The board, in consultation with the University of Minnesota, the Minnesota state colleges and universities, private colleges, and private career schools regulated under chapter 141, shall establish criteria to assess equivalent education for purposes of subdivision 3.

Subd. 8. [QUALIFYING EXPERIENCE UNTIL JULY 1, 2006.] Until July 1, 2006, qualifying experience includes public accounting experience:

(1) as a staff employee of a certified public accountant, or a firm;

(2) as an auditor in the office of the legislative auditor or state auditor, or as an auditor of examiner with any other agency of government, if the experience, in the opinion of the board, is equally comprehensive and diversified;



(3) as a self-employed public accountant or as a partner in a firm; or

(4) in any combination of the foregoing capacities.

Sec. 6. [326A.04] [ISSUANCE AND RENEWAL OF CERTIFICATES, AND MAINTENANCE OF COMPETENCY.]

Subdivision 1. [ELIGIBILITY.] The board shall grant or renew certificates to persons who make application and demonstrate:

(1) that their qualifications, including where applicable the qualifications prescribed by section 326A.03, are in accordance with this section; or

(2) that they are eligible under the substantial equivalency standard in section 326A.14, subdivision 1, paragraph (b), which requires licensure for those certified public accountants who establish their principal places of business in another state. The holder of a certificate issued under this section may only provide attest services in a CPA firm that holds a permit issued under section 326A.05.

Subd. 2. [TIMING.] (a) Certificates must be initially issued and renewed for periods of not more than one year but in any event must expire on the December 31 following issuance or renewal. Applications for certificates must be made in the form, and in the case of applications for renewal between the dates, specified by the board in rule. The board shall grant or deny an application no later than 90 days after the application is filed in proper form. If the applicant seeks the opportunity to show that issuance or renewal of a certificate was mistakenly denied, or if the board is unable to determine whether it should be granted or denied, the board may issue to the applicant a provisional certificate that expires 90 days after its issuance, or when the board determines whether or not to issue or renew the certificate for which application was made, whichever occurs first.

(b) Certificate holders who do not provide professional services and do not use the certified public accountant designation in any manner are not required to renew their certificates provided they have notified the board as provided in board rule and comply with the requirements for nonrenewal as specified in board rule.

Subd. 3. [RESIDENTS OF OTHER STATES.] (a) With regard to applicants who do not qualify for reciprocity under the substantial equivalency standard in section 326A.14, subdivision 1, paragraph (b), the board shall issue a certificate to a holder of a certificate, license, or permit issued by another state upon a showing that:

(1) the applicant passed the examination required for issuance of the applicant's certificate with grades that would have been passing grades at the time in this state;

(2) the applicant had four years of experience outside of this state of the type described in section 326A.03, subdivision 6, paragraph (b), if application is made on or after July 1, 2006, or section 326A.03, subdivision 8, if application is made before July 1, 2006; or the applicant meets equivalent requirements prescribed by the board by rule, after passing the examination upon which the applicant's certificate was based and within the ten years immediately preceding the application; and

(3) if the applicant's certificate, license, or permit was issued more than four years prior to the application for issuance of an initial certificate under this subdivision, that the applicant has fulfilled the requirements of continuing professional education that would have been applicable under subdivision 4.

(b) As an alternative to the requirements of paragraph (a), a certificate holder licensed by another state who establishes a principal place of business in this state shall request the issuance of a certificate from the board prior to establishing the principal place of business. The board shall issue a certificate to the person if the person's individual certified public accountant qualifications, upon verification, are substantially equivalent to the certified public accountant licensure requirements of this chapter.

Subd. 4. [PROGRAM OF LEARNING.] For renewal of a certificate under this section, each licensee shall participate in a program of learning designed to maintain professional competency. The program of learning must comply with rules adopted by the board. The board may by rule create an exception to this requirement for licensees who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. A licensee granted such an exception by the board must place the word "inactive" adjacent to the CPA title on any business card, letterhead, or any other document or device, with the exception of the licensee's certificate on which the CPA title appears.

Subd. 5. [FEE.] The board shall charge a fee for each application for initial issuance or renewal of a certificate under this section.

Subd. 6. [OTHER STATE LICENSES.] Applicants for initial issuance or renewal of certificates under this section shall in their applications list all states in which they have applied for or hold certificates, licenses, or permits and list any past denial, revocation, or suspension of a certificate, license, or permit. Each holder of or applicant for a certificate under this section shall notify the board in writing, within 30 days after its occurrence, of any issuance, denial, revocation, or suspension of a certificate, license, or permit by another state.

Subd. 7. [CERTIFICATES ISSUED BY FOREIGN COUNTRIES.] The board shall issue a certificate to a holder of a substantially equivalent foreign country designation, provided that:

(1) the foreign authority that granted the designation makes similar provision to allow a person who holds a valid certificate issued by this state to obtain the foreign authority's comparable designation;

(2) the foreign designation:

(i) was duly issued by a foreign authority that regulates the practice of public accountancy and the foreign designation has not expired or been revoked or suspended;

(ii) entitles the holder to issue reports upon financial statements; and

(iii) was issued upon the basis of educational, examination, and experience requirements established by the foreign authority or by law; and

(3) the applicant:

(i) received the designation, based on educational and examination standards substantially equivalent to those in effect in this state, at the time the foreign designation was granted;

(ii) has, within the ten years immediately preceding the application, completed an experience requirement that is substantially equivalent to the requirement in section 326A.03, subdivision 6, paragraph (b), if application is made on or after July 1, 2006, or section 326A.03, subdivision 8, if application is made before July 1, 2006, in the jurisdiction that granted the foreign designation; completed four years of professional experience in this state; or met equivalent requirements prescribed by the board by rule; and

(iii) passed a uniform qualifying examination in national standards and an examination on the laws, regulations, and code of ethical conduct in effect in this state acceptable to the board.

Subd. 8. [OTHER JURISDICTIONS IN WHICH FOREIGN APPLICANT IS LICENSED.] An applicant under subdivision 7 shall in the application list all jurisdictions, foreign and domestic, in which the applicant has applied for or holds a designation to practice public accountancy. Each holder of a certificate issued under subdivision 7 shall notify the board in writing, within 30 days after its occurrence, of any issuance, denial, revocation, or suspension of a designation or commencement of a disciplinary or enforcement action by any jurisdiction.

Subd. 9. [APPLICATION BY FOREIGN CERTIFICATE HOLDER.] The board has the sole authority to interpret the application of the provisions of subdivisions 7 and 8.

Subd. 10. [PEER REVIEW.] The board shall by rule require as a condition for renewal of a certificate under this section by any certificate holder who performs compilation services for the public other than through a CPA firm, that the individual undergo, no more frequently than once every three years, a peer review conducted in a manner specified by the board in rule. The review shall include verification that the individual has met the competency requirements set out in professional standards for the services described in this subdivision as set forth by rule.

Subd. 11. [AUTOMATIC REVOCATION.] The certificates of persons who fail to renew their certificates for more than two years after expiration shall be automatically revoked by order of the board. The orders may be issued by the board without following the procedures of chapter 14, provided the board notifies each such person by mail at the person's last known address on file with the board at least three days prior to the issuance of any such order. No notice is required if the last communication sent by the board to a licensee was returned to the board by the United States Postal Service as undeliverable and with no forwarding address. Certificates so revoked by the board may be reinstated, if at all, under section 326A.09. This subdivision does not apply to certified public accountants who have notified the board that they will not use the CPA designation in any manner and will not provide professional services.

Sec. 7. [326A.05] [CPA FIRM PERMITS TO PRACTICE, ATTEST AND COMPILATION COMPETENCY, AND PEER REVIEW.]

Subdivision 1. [GENERAL.] The board shall grant or renew permits to practice as a CPA firm to entities that make application and demonstrate their qualifications in accordance with this section. A firm must hold a permit issued under this section in order to provide attest services or to use the title "CPAs" or "CPA firm."

Subd. 2. [TIMING.] Permits must be initially issued and renewed for periods of not more than one year but in any event must expire on December 31 following issuance or renewal. Applications for permits shall be made in the form, and in the case of applications for renewal between the dates, as the board specifies in rule. The board shall grant or deny an application no later than 90 days after the application is filed in proper form. If the applicant seeks the opportunity to show that issuance or renewal of a permit was mistakenly denied or if the board is not able to determine whether it should be granted or denied, the board may issue to the applicant a provisional permit, which expires 90 days after its issuance, or when the board determines whether or not to issue or renew the permit for which application was made, whichever occurs first.

Subd. 3. [QUALIFICATIONS.] (a) An applicant for initial issuance or renewal of a permit to practice under this section shall comply with the requirements in this subdivision.

(b) Notwithstanding chapter 319B or any other provision of law, a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, must belong to holders of certificates who are licensed in some state, and the partners, officers, shareholders, members, or managers, whose principal place of business is in this state, and who perform professional services in this state, must hold valid certificates issued under section 326A.04 or the corresponding provision of prior law. Although firms may include nonlicensee owners, the firm and its ownership must comply with rules adopted by the board. The firm shall register all nonlicensee owners with the state board as set forth by rule.

(c) A CPA firm may include nonlicensee owners provided that:

(1) the firm designates a licensee of this state, who is responsible for the proper registration of the firm and identifies that individual to the board;

(2) all nonlicensee owners are active individual participants in the CPA firm or affiliated entities; and

(3) the firm complies with other requirements imposed by the board in rule.

(d) An individual licensee who is responsible for supervising attest or compilation services and signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm, shall meet the competency requirements set out in the professional standards for such services.

(e) An individual licensee who signs or authorizes someone to sign the accountants' report on the financial statements on behalf of the firm shall meet the competency requirement of paragraph (d).

Subd. 4. [INITIAL ISSUANCE OR RENEWAL.] An applicant for initial issuance or renewal of a permit to practice under this section shall register each office of the firm within this state with the board and to show that all attest and compilation services rendered in this state are under the charge of a person holding a valid certificate, or the corresponding provision of prior law.

Subd. 5. [FEES.] The board shall charge a fee for each application for initial issuance or renewal of a permit under this section.

Subd. 6. [OTHER JURISDICTIONS IN WHICH APPLICANT HOLDS A PERMIT.] An applicant for initial issuance or renewal of permits under this section shall in the applicant's application list all states in which the applicant has applied for or holds permits as a CPA firm and list any past denial, revocation, or suspension of a permit by any other state. Each holder of or applicant for a permit under this section shall notify the board in writing, within 30 days after its occurrence, of any change in the identities of partners, officers, shareholders, members, or managers whose principal place of business is in this state, any change in the number or location of offices within this state, any change in the identity of the persons in charge of such offices, and any issuance, denial, revocation, or suspension of a permit by any other state.

Subd. 7. [CORRECTIVE ACTIONS, REVOCATION.] Firms that fall out of compliance with the provisions of the section due to changes in firm ownership or personnel, after receiving or renewing a permit, shall take corrective action to bring the firm back in to compliance as quickly as possible. Failure to bring the firm back into compliance within a reasonable period as defined by the board rule shall result in the suspension or revocation of the firm permit.

Subd. 8. [PEER REVIEW; RULES.] (a) The board shall by rule require as a condition to renewal of permits under this section, that applicants undergo, no more frequently than once every three years, peer reviews conducted in a manner specified by the board. The review must include a verification that individuals in the firm who are responsible for supervising attest and compilation services and who sign or authorize someone to sign the accountant's report on the financial statements on behalf of the firm meet the competency requirements set out in the professional standards for such services. In addition, the rules must meet the requirements in paragraphs (b) to (d).

(b) The rules must be adopted reasonably in advance of the time when they first become effective.

(c) The rules must include reasonable provision for compliance by an applicant showing that it has, within the preceding three years, undergone a peer review that is a satisfactory equivalent to peer review generally required pursuant to this subdivision.

(d) The rules must require, with respect to peer reviews contemplated by paragraph (c), that they be subject to oversight by an oversight body established or sanctioned by board rule. This body shall periodically report to the board on the effectiveness of the review program under its charge, and provide to the board a listing of firms that have participated in a peer review program that is satisfactory to the board.

(e) The rules must require, with respect to peer reviews contemplated by paragraph (c), that the peer review processes be operated and documents maintained in a manner designed to preserve confidentiality, and that neither the board nor any third party, other than the oversight body, has access to documents furnished or generated in the course of the review. The applicant shall submit to the board reports and letters received at the conclusion of the peer review process as provided for in board rule.

Subd. 9. [COOPERATIVE AUDITING ORGANIZATION.] Any cooperative auditing organization organized under chapter 308A is qualified for a cooperative auditing service license and may style itself as a licensed cooperative auditing service if:

(1) for a minimum of one year prior to July 1, 1979, it rendered auditing or accounting of business analysis services to its members only; and

(2) its managers in charge of offices maintained in this state are certified public accountants of this state.

Cooperative auditing services shall comply with all requirements imposed on CPA firms and the board's rules governing firms.

Sec. 8. [326A.06] [LICENSED PUBLIC ACCOUNTANTS AND REGISTERED ACCOUNTING PRACTITIONERS.]

(a) All licensed public accountants (LPA) who are actively licensed by the state board on December 31, 2002, shall be issued a certified public accountant certificate. LPA's are those accountants who were eligible for licensure on July 1, 1979, under the law in effect on that date and who were issued a license as a licensed public accountant by the board at that time.

(b) By July 1, 2004, the board shall implement a voluntary registration of accounting practitioners. The board shall prescribe by rule the limitations of practice, educational preparation, examination, registration, fees, peer review, and continuing education requirements for the registration. The board shall consult with the University of Minnesota, the Minnesota state colleges and universities, the Minnesota association of private post-secondary schools, the private college council, the Minnesota association of public accountants, and other organizations as appropriate in the implementation of this section.

Sec. 9. [326A.07] [APPOINTMENT OF SECRETARY OF STATE AS AGENT.]

Application by a person or a firm not a resident of this state for a certificate or a permit shall constitute appointment of the secretary of state as the applicant's agent upon whom process may be served in any action or proceeding against the applicant arising out of any transaction or operation connected with or incidental to services performed by the applicant while a licensee within this state.

Sec. 10. [326A.08] [ENFORCEMENT.]

Subdivision 1. [BASIS FOR CONDUCTING INVESTIGATIONS.] If the board, or the complaint committee if authorized by the board, has a reasonable basis to believe that a person or firm has engaged in or is about to engage in a violation of a statute, rule, or order that the board has issued or is empowered to enforce, the board, or the complaint committee if authorized by the board, may proceed as described in this section. The board may, upon receipt of a complaint or other information suggesting violations of this chapter or of the rules of the board, conduct investigations to determine whether there is reasonable basis to institute proceedings under this section against any person or firm for such violations. The investigation is not a prerequisite to such proceedings in the event that a determination can be made without investigation.

Subd. 2. [HEARINGS CONDUCTED UNDER CHAPTER 14.] Except as otherwise described in this section, all hearings shall be conducted in accordance with chapter 14.

Subd. 3. [LEGAL ACTION.] (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has issued or is empowered to enforce, the board, or the complaint committee if authorized by the board, may bring an action in the name of the state in the district court in Ramsey county, when necessary to prevent imminent harm to the public, or in any county in which jurisdiction is proper to enjoin the act or practice

and to enforce compliance with the statute, rule, or order. Upon a showing that a person or firm has engaged in or is about to engage in an act or practice constituting a violation of a statute, rule, or order that the board has issued or is empowered to enforce, a permanent or temporary injunction, restraining order, or other appropriate relief shall be granted.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person or firm has engaged in or is about to engage in an act or practice constituting a violation of a statute, rule, or order that the board has issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person or firm from criminal prosecution from a competent authority or from action by the board pursuant to subdivisions 4 to 7 with respect to the person's or firm's certificate, permit, registration, or practice privileges granted under section 326A.14 or application for examination, certificate, registration, permit, or renewal or notification for practice privileges granted under section 326A.14.

Subd. 4. [CEASE AND DESIST ORDERS.] (a) The board, or the complaint committee if authorized by the board, may issue and have served upon a certificate holder, a permit holder, a registration holder, a person with practice privileges granted under section 326A.14 who has previously been subject to a disciplinary order by the board, or an unlicensed firm or person an order requiring the person or firm to cease and desist from the act or practice constituting a violation of the statute, rule, or order. The order must be calculated to give reasonable notice of the rights of the person or firm to request a hearing and must state the reasons for the entry of the order. No order may be issued until an investigation of the facts has been conducted pursuant to section 214.10.

(b) Service of the order is effective when the order is served on the person, firm, or counsel of record personally, or by certified mail to the most recent address provided to the board for the person, firm, or counsel of record.

(c) Unless otherwise agreed by the board, or the complaint committee if authorized by the board, and the person or firm requesting the hearing, the hearing must be held no later than 30 days after the request for the hearing is received by the board.

(d) The administrative law judge shall issue a report within 30 days of the close of the contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue a further order vacating, modifying, or making permanent the cease and desist orders as the facts require.

(e) If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the board.

(f) If the person or firm to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person or firm is in default and the proceeding may be determined against that person or firm upon consideration of the cease and desist order, the allegations of which may be considered to be true.

(g) In lieu of or in addition to the order provided in paragraph (a), the board may require the person or firm to provide to the board a true and complete list of the person's or firm's clientele so that they can, if deemed necessary, be notified of the board's action. Failure to do so, or to provide an incomplete or inaccurate list, is an act discreditable.

Subd. 5. [ACTIONS AGAINST PERSONS OR FIRMS.] (a) The board may, by order, deny, refuse to renew, suspend, temporarily suspend, or revoke the application, or practice privileges, registration or certificate of a person or firm; censure or reprimand the person or firm; prohibit the person or firm from preparing tax returns or reporting

on financial statements; refuse to permit a person to sit for examination; or refuse to release the person's examination grades if the board finds that the order is in the public interest and that, based on a preponderance of the evidence presented, the person or firm:

(1) has violated a statute, rule, or order that the board has issued or is empowered to enforce;

(2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether or not the conduct or acts relate to performing or offering to perform professional services, providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's or firm's ability or fitness to provide professional services;

(3) has engaged in conduct or acts that are negligent or otherwise in violation of the standards established by board rule, where the conduct or acts relate to providing professional services;

(4) has been convicted of, has pled guilty or nolo contendere to or has been sentenced as a result of the commission of a felony or crime, an element of which is dishonesty or fraud; has been shown to have or admitted to having engaged in acts or practices tending to show that the person or firm is incompetent; or has engaged in conduct reflecting adversely on the person's or firm's ability or fitness to provide professional services, whether or not a plea was entered or withheld;

(5) employed fraud or deception in obtaining a certificate, permit, registration, practice privileges, renewal, or reinstatement or in passing all or a portion of the examination;

(6) has had the person's or firm's permit, registration, practice privileges, certificate, right to examine, or other similar authority revoked, suspended, canceled, limited, or not renewed for cause, or has committed unprofessional acts for which the person or firm was otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing to cease and desist from prescribed conduct, in any state or any foreign country;

(7) has had the person's or firm's right to practice before any federal, state, or other government agency revoked, suspended, canceled, limited, or not renewed for cause, or has committed unprofessional acts for which the person or firm was otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing to cease and desist from prescribed conduct;

(8) failed to meet any requirement for the issuance or renewal of the person's or firm's certificate, registration or permit, or for practice privileges;

(9) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that may result or may have resulted, in the opinion of the board or the complaint committee if authorized by the board, in an immediate threat to the public; or

(10) has engaged in any conduct reflecting adversely upon the person's or firm's fitness to perform services while a licensee, individual granted privileges under section 326A.14, or a person registered under section 326A.06, paragraph (b).

(b) In lieu of or in addition to any remedy provided in paragraph (a), the board may require, as a condition of continued possession of a certificate, a registration or practice privileges, termination of suspension, reinstatement of permit, registration of a person or firm or of practice privileges under section 326A.14, a certificate, an examination, or release of examination grades, that the person or firm:

(1) submit to a peer review of the person's or firm's ability, skills, or quality of work, conducted in a fashion and by persons, entity, or entities as required by the board; and

(2) complete to the satisfaction of the board continuing professional education courses specified by the board.

(c) Service of the order is effective if the order is served on the person, firm, or counsel of record personally or by certified mail to the most recent address provided to the board for the person, firm, or counsel of record. The order shall state the reasons for the entry of the order.

(d) All hearings required by this subdivision must be conducted in accordance with chapter 14 except with respect to temporary suspension orders as provided for in subdivision 6.

(e) In addition to the remedies authorized by this subdivision, the board may enter into an agreement with the person or firm for corrective action and may unilaterally issue a warning to a person or firm.

(f) The board shall not use agreements for corrective action or warnings in any situation where the person or firm has been convicted of or pled guilty or nolo contendere to a felony or crime and the felony or crime is the basis of the board's action against the person or firm, where the conduct of the person or firm indicates a pattern of related violations of paragraph (a) or the rules of the board, or where the board concludes that the conduct of the person or firm will not be deterred other than by disciplinary action under this subdivision or subdivision 4 or 6.

(g) Agreements for corrective action may be used by the board, or the complaint committee if authorized by the board, where the violation committed by the person or firm does not warrant disciplinary action pursuant to this subdivision or subdivision 4 or 6, but where the board, or the complaint committee if authorized by the board, determines that corrective action is required to prevent further such violations and to otherwise protect the public. Warnings may be used by the board, or the complaint committee if authorized by the board, where the violation of the person or firm is de minimus, does not warrant disciplinary action under this subdivision or subdivision 4 or 6, and does not require corrective action to protect the public.

(h) Agreements for corrective action must not be considered disciplinary action against the person's or firm's application, permit, registration or certificate, or practice privileges under section 326A.14. However, agreements for corrective action are public data. Warnings must not be considered disciplinary action against the person's or firm's application, permit, registration, or certificate or person's practice privileges and are private data.

Subd. 6. [PROCEDURE FOR TEMPORARY SUSPENSION OF PERMIT, REGISTRATION, OR CERTIFICATE OR PRACTICE PRIVILEGES.] (a) When the board, or the complaint committee if authorized by the board, issues a temporary suspension order, the suspension is in effect upon service of a written order on the person, firm, or counsel of record, specifying the statute, rule, or order violated. The order remains in effect until the board issues a final order in the matter after a hearing or upon agreement between the board and the person or firm.

(b) The order may prohibit the person or firm from providing professional services in whole or in part, as the facts may require, and may condition the end of such suspension on compliance with a statute, rule, or order that the board has issued or is empowered to enforce.

(c) The order must set forth the rights to hearing contained in this section and must state the reasons for the entry of order.

(d) Within ten days after service of the order, the person or firm may request a hearing in writing. The board shall hold a hearing before its own members within five working days of a receipt of a request for hearing or within five working days of receipt of a request for hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. This hearing is not subject to chapter 14. Evidence presented by the board or the person or firm shall be in affidavit form only. The person, firm, or counsel of record may appear for oral argument.

(e) Within five working days after the hearing, the board shall issue its order and, if the suspension is continued, schedule a contested case hearing within 30 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record, notwithstanding the provisions of Minnesota Rules, part 1400.8100, subpart 3. The board shall issue a final order within 30 days after receipt of that report.



Subd. 7. [VIOLATION; PENALTIES; COSTS OF PROCEEDING.] (a) The board may impose a civil penalty not to exceed \$2,000 per violation upon a person or firm that violates an order, statute, or rule that the board has issued or is empowered to enforce.

(b) The board may, in addition, impose a fee to reimburse the board for all or part of the cost of the proceedings, including reasonable investigative costs, resulting in disciplinary or corrective action authorized by this section, the imposition of civil penalties, or the issuance of a cease and desist order. The fee may be imposed when the board shows that the position of the person or firm that violates a statute, rule, or order that the board has issued or is empowered to enforce is not substantially justified, unless special circumstances make an award unjust, notwithstanding the provisions of Minnesota Rules, part 1400.8401. The costs include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorney and reasonable investigative fees, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and expense incurred by board members and staff.

(c) All hearings required by this subdivision must be conducted in accordance with chapter 14.

Subd. 8. [PERSONS AND ENTITIES SUBJECT TO DISCIPLINE.] Any person or entity who prepares or reports on financial statements or schedules for a client for a fee is subject to this section and the practice of the person or entity may be disciplined by the boards as provided for in this section. The board may discipline a person or entity based on violations of this chapter, the board's rules, or misrepresentations made by the person or entity regarding the work the person or entity performed.

Subd. 9. [NOTIFICATION OF OTHER STATES.] In any case where the board renders a decision imposing discipline against a person or firm, the board shall examine its records to determine whether the person or firm holds a certificate or a permit in any other state. If so, the board shall notify the board of accountancy of the other state of its decision, by mail, within 45 days of the decision becoming final.

Sec. 11. [326A.09] [REINSTATEMENT.]

The board may reinstate a suspended, revoked, or surrendered certificate, registration, or permit or suspended, revoked, or surrendered practice privileges upon petition of the person or firm holding or formerly holding the registration, permit, or certificate, or practice privileges. The board may, in its sole discretion, require that the person or firm submit to the board evidence of having obtained up to 120 hours of continuing professional education credits that would have been required had the person or firm held a registration, certificate, permit, or practice privileges continuously. The board may, in its sole discretion, place any other conditions upon reinstatement of a suspended, revoked, or surrendered certificate, permit, registration, or of practice privileges that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No suspended certificate, registration, permit, or practice privileges may be reinstated until the former holder, or person with practice privileges has completed one-half of the suspension.

Sec. 12. [326A.10] [UNLAWFUL ACTS.]

(a) Only a licensee may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing attest services, or offer to render or render any attest service. Only a certified public accountant, a CPA firm, or, to the extent permitted by board rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing compilation services or offer to render or render any compilation service. These restrictions do not prohibit any act of a public official or public employee in the performance of that person's duties or prohibit the performance by any nonlicensee of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on them. Nonlicensees may prepare financial statements and issue nonattest transmittals or information on them which do not purport to be in compliance with the Statements on Standards for Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may, to the extent permitted by board rule, prepare financial statements and issue nonattest transmittals or information on them.

(b) Licensees performing attest or compilation services must provide those services in accordance with professional standards. To the extent permitted by board rule, registered accounting practitioners performing compilation services must provide those services in accordance with standards specified in board rule.

(c) A person who does not hold a valid certificate issued under section 326A.04 shall not use or assume the title "certified public accountant," the abbreviation "CPA," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant.

(d) A firm shall not provide attest services or assume or use the title "certified public accountants," the abbreviation "CPAs," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless (1) the firm holds a valid permit issued under section 326A.05, and (2) ownership of the firm is in accordance with this chapter and rules adopted by the board.

(e) A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 shall not assume or use the title "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," "accounting practitioner," "public accountant," "licensed public accountant," or any other title or designation likely to be confused with the title "certified public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals so designated by the Internal Revenue Service.

(f) Persons registered under section 326A.06, paragraph (b), may use the title "registered accounting practitioner" or the abbreviation "RAP." A person who does not hold a valid registration under section 326A.06, paragraph (b), shall not assume or use such title or abbreviation.

(g) Except to the extent permitted in paragraph (a), nonlicensees may not use language in any statement relating to the financial affairs of a person or entity that is conventionally used by licensees in reports on financial statements. In this regard, the board shall issue by rule safe harbor language that nonlicensees may use in connection with such financial information. A person or firm that does not hold a valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b), shall not assume or use any title or designation that includes the word "accountant" or "accounting" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate, permit, or registration or has special competence as an accountant. A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 shall not assume or use any title or designation that includes the word "auditor" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate or permit or has special competence as an auditor. However, this paragraph does not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that the person holds, nor prohibit any act of a public official or employee in the performance of the person's duties as such.

(h) No person holding a certificate or registration or firm holding a permit under this chapter shall use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. However, names of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

(i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accountancy or its equivalent in that country, if:

(1) the activities of the person or firm in this state are limited to the provision of professional services to persons or firms who are residents of, governments of, or business entities of the country in which the person holds the entitlement;

(2) the person or firm performs no attest or compilation services and issues no reports with respect to the financial statements of any other persons, firms, or governmental units in this state; and

(3) the person or firm does not use in this state any title or designation other than the one under which the person practices in the foreign country, followed by a translation of the title or designation into English, if it is in a different language, and by the name of the country.

(j) No holder of a certificate issued under section 326A.04 may perform attest services through any business form that does not hold a valid permit issued under section 326A.05.

(k) No individual licensee may issue a report in standard form upon a compilation of financial information through any form of business that does not hold a valid permit issued under section 326A.05, unless the report discloses the name of the business through which the individual is issuing the report, and the individual:

(1) signs the compilation report identifying the individual as a certified public accountant;

(2) meets the competency requirement provided in applicable standards; and

(3) undergoes no less frequently than once every three years, a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements set out in professional standards for such services.

(l) No person registered under section 326A.06, paragraph (b), may issue a report in standard form upon a compilation of financial information unless the board by rule permits the report and the person:

(1) signs the compilation report identifying the individual as a registered accounting practitioner;

(2) meets the competency requirements in board rule; and

(3) undergoes no less frequently than once every three years a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements in board rule.

(m) Nothing in this section prohibits a practicing attorney or firm of attorneys from preparing or presenting records or documents customarily prepared by an attorney or firm of attorneys in connection with the attorney's professional work in the practice of law.

(n) Notwithstanding other provisions of this section, persons preparing unaudited financial statements under corresponding provisions of prior law shall be permitted to perform compilation services until six months after the board adopts rules under section 326A.06.

#### Sec. 13. [326A.11] [SINGLE ACT EVIDENCE OF PRACTICE.]

In any action brought under section 326A.08, evidence of the commission of a single act prohibited by this chapter is sufficient to justify a penalty, injunction, restraining order, or conviction, respectively, without evidence of a general course of conduct.

#### Sec. 14. [326A.12] [CONFIDENTIAL COMMUNICATIONS.]

(a) Except by permission of the client for whom a licensee performs services or the heirs, successors, or personal representatives of the client, a licensee shall not voluntarily disclose information communicated to the licensee by the client relating to and in connection with services rendered to the client by the licensee. Nothing in this section may be construed to prohibit:

(1) the disclosure of information required to be disclosed by the standards of the public accounting profession in reporting on the examination of financial statements; or

(2) disclosures in court proceedings, in investigations or proceedings under section 326A.08, in ethical investigations conducted by private professional organizations, in the course of peer reviews, to other persons active in the organization performing services for that client on a need-to-know basis, or to persons in the entity who need this information for the sole purpose of assuring quality control.

(b) This section also applies to persons registered under section 326A.06, paragraph (b).

Sec. 15. [326A.13] [WORKING PAPERS; CLIENTS' RECORDS.]

(a) Subject to the provisions of section 326A.12, all statements, records, schedules, working papers, and memoranda made by a licensee or a partner, shareholder, officer, director, member, manager, or employee of a licensee, incident to, or in the course of, rendering services to a client while a licensee, except the reports submitted by the licensee to the client and except for records that are part of the client's records, remain the property of the licensee in the absence of an express agreement between the licensee and the client to the contrary. No statement, record, schedule, working paper, or memorandum may be sold, transferred, or bequeathed, without the consent of the client or the client's personal representative or assignee, to anyone other than one or more surviving partners, stockholders, members or new partners, new stockholders, new members of the licensee, or any combined or merged firm or successor in interest to the licensee. Nothing in this section may be construed as prohibiting any temporary transfer of workpapers or other material necessary in the course of carrying out peer reviews or as otherwise interfering with the disclosure of information pursuant to section 326A.12.

(b) A licensee shall furnish to a client or former client, upon request and reasonable notice:

(1) a copy of the licensee's working papers, to the extent that the working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client; and

(2) any accounting or other records belonging to, or obtained from or on behalf of, the client that the licensee removed from the client's premises or received for the client's account. The licensee may make and retain copies of such documents of the client when they form the basis for work done by the licensee.

(c) Nothing in this section requires a licensee to keep any work paper beyond the period prescribed in any other applicable statute.

(d) This section also applies to persons registered under section 326A.06, paragraph (b).

Sec. 16. [326A.14] [SUBSTANTIAL EQUIVALENCY.]

Subdivision 1. [REQUIREMENTS.] (a) An individual whose principal place of business is not in this state and who has a valid certificate or license as a certified public accountant from any state which, upon verification, is in substantial equivalence with the certified public accountant licensure requirements of this chapter shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of certificate holders and licensees of this state without the need to obtain a certificate or permit. However, such individuals shall notify the board of their intent to enter the state under this provision as provided for in board rule and pay the required fee.

(b) An individual whose principal place of business is not in this state and who has a valid certificate or license as a certified public accountant from any state whose certified public accountant licensure qualifications, upon verification, are not substantially equivalent with the licensure requirements of this chapter shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of certificate holders and licensees of this state without the need to obtain a certificate or permit if the individual obtains

verification, as specified in board rule, that the individual's qualifications are substantially equivalent to the licensure requirements of this chapter. Such individuals shall notify the board of their intent to enter the state under this provision as provided for in board rule and pay the required fee.

(c) Any licensee of another state exercising the privilege afforded under this section consents, as a condition of the grant of this privilege:

(1) to the personal and subject matter jurisdiction and disciplinary authority of the board;

(2) to comply with this chapter and the board's rules; and

(3) to the appointment of the state board that issued the license as the licensee's agent upon whom process may be served in any action or proceeding by this board against the licensee.

Subd. 2. [USE OF TITLE IN ANOTHER STATE.] A licensee of this state offering or rendering services or using the CPA title in another state is subject to the same disciplinary action in this state for which the licensee would be subject to discipline for an act committed in the other state. The board shall investigate any complaint made by the board of accountancy of another state.

Sec. 17. [TRANSITIONAL PROVISIONS FOR BOARD MEMBERS.]

Notwithstanding Minnesota Statutes, section 326A.02, members of the board of accountancy who were appointed to the board prior to January 1, 2003, may complete their terms. Appointments made on or after January 1, 2003, are governed by Minnesota Statutes, section 326A.02.

Sec. 18. [REPEALER.]

Minnesota Statutes 2000, sections 326.165; 326.1655; 326.17; 326.18; 326.19; 326.192; 326.197; 326.20; 326.201; 326.211; 326.212; 326.22; 326.223; 326.224; 326.228; and 326.229, are repealed.

Sec. 19. [EFFECTIVE DATE.]

This article is effective January 1, 2003.

## ARTICLE 2

### CONFORMING CHANGES

Section 1. Minnesota Statutes 2000, section 3.972, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC ACCOUNTANT.] For the purposes of this section, "public accountant" means a certified public accountant; or certified public accounting firm; or a licensed public accountant licensed by the board of accountancy under ~~sections 326.17 to 326.229~~ chapter 326A.

Sec. 2. Minnesota Statutes 2000, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. [LICENSE; EXCEPTIONS.] "Business license" or "license" does not include the following:

(1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;

(3) any license required to practice the following occupation regulated by the following sections:

- (i) abstracters regulated pursuant to chapter 386;
- (ii) accountants regulated pursuant to chapter ~~326~~ 326A;
- (iii) adjusters regulated pursuant to chapter 72B;
- (iv) architects regulated pursuant to chapter 326;
- (v) assessors regulated pursuant to chapter 270;
- (vi) athletic trainers regulated pursuant to chapter 148;
- (vii) attorneys regulated pursuant to chapter 481;
- (viii) auctioneers regulated pursuant to chapter 330;
- (ix) barbers regulated pursuant to chapter 154;
- (x) beauticians regulated pursuant to chapter 155A;
- (xi) boiler operators regulated pursuant to chapter 183;
- (xii) chiropractors regulated pursuant to chapter 148;
- (xiii) collection agencies regulated pursuant to chapter 332;
- (xiv) cosmetologists regulated pursuant to chapter 155A;
- (xv) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (xvi) detectives regulated pursuant to chapter 326;
- (xvii) electricians regulated pursuant to chapter 326;
- (xviii) mortuary science practitioners regulated pursuant to chapter 149A;
- (xix) engineers regulated pursuant to chapter 326;
- (xx) insurance brokers and salespersons regulated pursuant to chapter 60A;
- (xxi) certified interior designers regulated pursuant to chapter 326;
- (xxii) midwives regulated pursuant to chapter 147D;
- (xxiii) nursing home administrators regulated pursuant to chapter 144A;
- (xxiv) optometrists regulated pursuant to chapter 148;
- (xxv) osteopathic physicians regulated pursuant to chapter 147;
- (xxvi) pharmacists regulated pursuant to chapter 151;
- (xxvii) physical therapists regulated pursuant to chapter 148;

- (xxviii) physician assistants regulated pursuant to chapter 147A;
- (xxix) physicians and surgeons regulated pursuant to chapter 147;
- (xxx) plumbers regulated pursuant to chapter 326;
- (xxxi) podiatrists regulated pursuant to chapter 153;
- (xxxii) practical nurses regulated pursuant to chapter 148;
- (xxxiii) professional fund raisers regulated pursuant to chapter 309;
- (xxxiv) psychologists regulated pursuant to chapter 148;
- (xxxv) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;
- (xxxvi) registered nurses regulated pursuant to chapter 148;
- (xxxvii) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;
- (xxxviii) steamfitters regulated pursuant to chapter 326;
- (xxxix) teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (xl) veterinarians regulated pursuant to chapter 156;
- (xli) water conditioning contractors and installers regulated pursuant to chapter 326;
- (xlii) water well contractors regulated pursuant to chapter 103I;
- (xliii) water and waste treatment operators regulated pursuant to chapter 115;
- (xliv) motor carriers regulated pursuant to chapter 221;
- (xlv) professional firms regulated under chapter 319B;
- (xlvi) real estate appraisers regulated pursuant to chapter 82B;
- (xlvii) residential building contractors, residential remodelers, residential roofers, manufactured home installers, and specialty contractors regulated pursuant to chapter 326;
- (4) any driver's license required pursuant to chapter 171;
- (5) any aircraft license required pursuant to chapter 360;
- (6) any watercraft license required pursuant to chapter 86B;
- (7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and
- (8) any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 3. Minnesota Statutes 2000, section 214.01, subdivision 3, is amended to read:

Subd. 3. [NON-HEALTH-RELATED LICENSING BOARD.] "Non-health-related licensing board" means the board of teaching established pursuant to section 122A.07, the board of barber examiners established pursuant to section 154.22, the board of assessors established pursuant to section 270.41, the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design established pursuant to section 326.04, ~~the board of accountancy established pursuant to section 326.17~~; the board of electricity established pursuant to section 326.241, the private detective and protective agent licensing board established pursuant to section 326.33, the board of accountancy established pursuant to section 326A.02, the board of boxing established pursuant to section 341.01, and the peace officer standards and training board established pursuant to section 626.841.

Sec. 4. Minnesota Statutes 2000, section 319B.02, subdivision 19, is amended to read:

Subd. 19. [PROFESSIONAL SERVICES.] "Professional services" means services of the type required or permitted to be furnished by a professional under a license, registration, or certificate issued by the state of Minnesota to practice medicine and surgery under sections 147.01 to 147.22, as a physician assistant pursuant to sections 147A.01 to 147A.27, chiropractic under sections 148.01 to 148.105, registered nursing under sections 148.171 to 148.285, optometry under sections 148.52 to 148.62, psychology under sections 148.88 to 148.98, dentistry and dental hygiene under sections 150A.01 to 150A.12, pharmacy under sections 151.01 to 151.40, podiatric medicine under sections 153.01 to 153.25, veterinary medicine under sections 156.001 to 156.14, architecture, engineering, surveying, landscape architecture, geoscience, and certified interior design under sections 326.02 to 326.15, accountancy under ~~sections 326.17 to 326.229~~ chapter 326A, or law under sections 481.01 to 481.17, or under a license or certificate issued by another state under similar laws. Professional services includes services of the type required to be furnished by a professional pursuant to a license or other authority to practice law under the laws of a foreign nation.

Sec. 5. Minnesota Statutes 2000, section 326.53, is amended to read:

326.53 [VIOLATIONS; PENALTY PROVISIONS.]

Subdivision 1. [GENERALLY.] (1) Any violation of ~~the provisions of sections 326.02 to 326.229 shall be~~ chapter 326A is a gross misdemeanor.

(2) Every person violating any of the provisions of sections 326.523 to 326.526, or assisting in such violation, shall, upon conviction thereof, be punished by a fine not exceeding \$3,000 or, in default of the payment of such fine, by imprisonment in the county jail for not more than one year. In the case of a corporation, the violation of these sections shall be deemed to be also that of the individual directors, officers, or agents of such corporation who have assisted in such violation, or who have authorized, ordered, or done the acts or omissions constituting, in whole or in part, such violation; and, upon conviction thereof, any such directors, officers, or agents shall be punished by fine or imprisonment as herein provided.

Sec. 6. Minnesota Statutes 2000, section 367.36, subdivision 1, is amended to read:

Subdivision 1. [TRANSITION; AUDIT.] In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If the offices of clerk and treasurer are combined and the town's annual revenue is more than \$100,000, the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the town's annual revenue is \$100,000 or less, the town board shall provide for an audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit. Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the



audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant; ~~or a certified public accounting firm; or a licensed public accountant,~~ all licensed by the board of accountancy under ~~sections 326.17 to 326.229~~ chapter 326A.

Sec. 7. Minnesota Statutes 2000, section 412.222, is amended to read:

412.222 [PUBLIC ACCOUNTANTS IN STATUTORY CITIES.]

The council of any city may employ public accountants on a monthly or yearly basis for the purpose of auditing, examining, and reporting upon the books and records of account of such city. For the purpose of this section, "public accountant" means a certified public accountant; ~~or a certified public accounting firm; or a licensed public accountant,~~ all licensed by the board of accountancy under ~~sections 326.17 to 326.23~~ chapter 326A. All expenditures for these purposes shall be within the statutory limits upon tax levies in such cities.

Sec. 8. Minnesota Statutes 2000, section 471.49, subdivision 10, is amended to read:

Subd. 10. [PUBLIC ACCOUNTANT.] "Public accountant" means a certified public accountant; ~~or a certified public accounting firm; or a licensed public accountant,~~ all licensed by the board of accountancy under ~~sections 326.17 to 326.229~~ chapter 326A.

Sec. 9. Minnesota Statutes 2000, section 544.42, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "professional" means a licensed attorney or an architect, certified public accountant, engineer, land surveyor, or landscape architect licensed or certified under ~~sections 326.02 to 326.229~~ chapter 326 or 326A; and

(2) "action" includes an original claim, cross-claim, counterclaim, or third-party claim. An action does not include a claim for damages requiring notice pursuant to section 604.04.

Sec. 10. [EFFECTIVE DATE.]

This article is effective January 1, 2003."

Amend the title as follows:

Page 1, line 11, delete "326.191;"

Page 1, line 13, delete "326.225;"

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

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 801, A bill for an act relating to traffic regulations; requiring motorists to move to the left lane of multilane highways when approaching an emergency vehicle parked on the right shoulder; amending Minnesota Statutes 2000, section 169.18, subdivision 1, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 169.18, subdivision 1, is amended to read:

Subdivision 1. [KEEP TO THE RIGHT.] Upon all roadways of sufficient width a vehicle shall be driven upon the right half of the roadway, except as follows:

(1) when overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement;

- (2) when the right half of a roadway is closed to traffic while under construction or repair;
- (3) upon a roadway divided into three marked lanes for traffic under the rules applicable thereon; ~~or~~
- (4) upon a roadway designated and signposted for one-way traffic as a one-way roadway; or
- (5) as necessary to comply with subdivision 11 when approaching an authorized emergency vehicle parked or stopped on the roadway.

Sec. 2. Minnesota Statutes 2000, section 169.18, is amended by adding a subdivision to read:

Subd. 11. [PASSING PARKED EMERGENCY VEHICLE.] When approaching and before passing an authorized emergency vehicle that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest from the emergency vehicle.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective June 1, 2002."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring a motorist approaching a stopped emergency vehicle to move to the lane of multilane highways that is farthest from the emergency vehicle; amending Minnesota Statutes 2000, section 169.18, subdivision 1, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Judiciary Finance to which was referred:

H. F. No. 812, A bill for an act relating to mental health; establishing duties for reducing and preventing suicides; establishing requirements for discharge plans and transition services for offenders with mental illness; providing coverage requirements for health plans; providing for a calculation to regional treatment centers based on population size; adjusting payment rates for certain mental health providers; establishing coverage requirements for mental health services and treatment; adding certain services covered under case management, community support, and day treatment services; requiring studies; defining certain mental health provisions; establishing team case management services and continuing care benefit program; covering certain transportation costs; adding provisions to the prepaid health plan; requiring development of a payment system; appropriating money; amending Minnesota Statutes 2000, sections 245.462, subdivisions 3, 6, 8, 18, 20, and by adding subdivisions; 245.466, subdivision 2; 245.470, by adding a subdivision; 245.4711, by adding a subdivision; 245.4871, subdivisions 10, 17, 27, 29, and by adding subdivisions; 245.4875, subdivision 2; 245.4876, subdivision 1, and by adding subdivisions; 245.488, by adding a subdivision; 245.4885, subdivision 1; 246.54; 256.969, subdivision 3a, and by adding a subdivision; 256B.0625, subdivision 17, and by adding subdivisions; 256B.69, by adding subdivisions; 260C.201, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62Q; 145; 244; 245; 246; 256B; and 299A.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health and Human Services Finance without further recommendation.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 1019, A bill for an act relating to transportation; modifying certain state contract procedures; providing for posting highway construction and maintenance bids or bid records electronically or over the Internet; modifying seasonal highway weight limitations; making clarifying changes; amending Minnesota Statutes 2000, sections 16C.05, subdivision 5; 16C.06, subdivisions 1 and 3; 16C.08, subdivision 2; 16C.10, subdivision 6; 160.02, subdivision 7, and by adding a subdivision; 161.32, subdivisions 1, 1b, and 1e; and 169.825, subdivision 11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16C.05, subdivision 2, is amended to read:

Subd. 2. [CREATION AND VALIDITY OF CONTRACTS.] (a) A contract is not valid and the state is not bound by it unless:

- (1) it has first been executed by the head of the agency or a delegate who is a party to the contract;
- (2) it has been approved by the commissioner;
- (3) it has been approved by the attorney general or a delegate as to form and execution;
- (4) the accounting system shows an obligation in an expense budget or encumbrance for the amount of the contract liability; and
- (5) the combined contract and amendments shall not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years unless the commissioner determines that a longer duration is in the best interest of the state.

(b) Grants, interagency agreements, purchase orders, and annual plans need not, in the discretion of the commissioner and attorney general, require the signature of the commissioner and/or the attorney general. A signature is not required for work orders and amendments to work orders related to department of transportation contracts. Bond purchase agreements by the Minnesota public facilities authority do not require the approval of the commissioner.

(c) A fully executed copy of every contract must be kept on file at the contracting agency.

Sec. 2. Minnesota Statutes 2000, section 16C.06, subdivision 1, is amended to read:

Subdivision 1. [PUBLICATION REQUIREMENTS.] Notices of solicitations for acquisitions estimated to be more than \$25,000, or \$100,000 in the case of a department of transportation acquisition, must be publicized in a manner designated by the commissioner.

Sec. 3. Minnesota Statutes 2000, section 16C.06, subdivision 2, is amended to read:

Subd. 2. [SOLICITATION PROCESS.] (a) A formal solicitation must be used to acquire all goods, service contracts, and utilities estimated at or more than \$25,000, or in the case of a department of transportation solicitation, at or more than \$100,000, unless otherwise provided for. All formal responses must be sealed when they are received and must be opened in public at the hour stated in the solicitation. Formal responses must be authenticated by the responder in a manner specified by the commissioner.

(b) An informal solicitation may be used to acquire all goods, service contracts, and utilities that are estimated at less than \$25,000, or in the case of a department of transportation solicitation, at or less than \$100,000. The number of vendors required to receive solicitations may be determined by the commissioner. Informal responses must be authenticated by the responder in a manner specified by the commissioner.

Sec. 4. Minnesota Statutes 2000, section 16C.08, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF CONTRACTING AGENCY.] Before an agency may seek approval of a professional or technical services contract valued in excess of \$5,000, or \$50,000 in the case of a department of transportation professional or technical services contract, it must certify to the commissioner that:

- (1) no current state employee is able and available to perform the services called for by the contract;
- (2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;
- (3) the contractor has certified that the product of the services will be original in character;
- (4) reasonable efforts were made to publicize the availability of the contract to the public;
- (5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract, if applicable;
- (6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function, the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services; and
- (7) the agency will not allow the contractor to begin work before funds are fully encumbered.

Sec. 5. Minnesota Statutes 2000, section 161.32, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISEMENT FOR BIDS.] The commissioner may conduct the work or any part ~~thereof~~ of the work incidental to the construction and maintenance of the trunk highways by labor employed ~~therefor to do the work~~ or by contract. In cases of construction work, the commissioner shall first advertise for bids for contracts, and if no satisfactory bids are received, may either reject all bids and readvertise, or do the work by labor employed ~~therefor to do the work~~. Except as ~~hereinafter~~ hereinafter provided in subdivision 3 or 4, when work is to be done under contract, the commissioner shall advertise for bids once each week for three successive weeks prior to the date ~~such the bids~~ are to be received. The advertisement for bids ~~shall must~~ shall must be published in a newspaper or other periodical of general circulation in the state and may be placed on the Internet. The plans and specifications for the proposed work ~~shall must~~ shall must be on file in the commissioner's office prior to the first call for bids.

Sec. 6. Minnesota Statutes 2000, section 161.32, subdivision 1b, is amended to read:

Subd. 1b. [LOWEST RESPONSIBLE BIDDER.] Bidders may submit bids electronically in a form and manner required by the commissioner. Trunk highway construction contracts, including design-build contracts, must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other considerations imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all contracts and may use the principles of life-cycle costing, ~~where when~~ where when appropriate, in determining the lowest overall bid. Any or all bids may be rejected. ~~In a case where~~ When competitive bids are required and ~~where~~ all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

Sec. 7. Minnesota Statutes 2000, section 161.32, subdivision 1e, is amended to read:

Subd. 1e. [RECORD.] A record must be kept of all bids, including names of bidders, amounts of bids, and each successful bid. After the contract is awarded, this record is open to public inspection and may be posted on the Internet.

Sec. 8. Minnesota Statutes 2000, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent ~~from January 1 to March 7~~ between the dates set by the commissioner based on frost depth each winter, statewide;

(2) by ten percent ~~from December 1 through December 31~~ between the dates set by the commissioner based on frost depth each winter, in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along trunk highway No. 61 to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota-North Dakota border; thence northerly along that border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets and potatoes within an area having a 75-mile radius from the field of harvest to the point of the first unloading. The commissioner shall not issue permits under this clause if to do so will result in a loss of federal highway funding to the state.

(b) The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions, or March 7.

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner under section 169.832, subdivision 11.

(f) The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under paragraph (a), clause (2)."

Delete the title and insert:

"A bill for an act relating to transportation; modifying certain state contract procedures; providing for posting highway construction and maintenance bids or bid records electronically or over the Internet; modifying seasonal highway weight limitations; making clarifying changes; amending Minnesota Statutes 2000, sections 16C.05, subdivision 2; 16C.06, subdivisions 1, 2; 16C.08, subdivision 2; 161.32, subdivisions 1, 1b, 1e; 169.825, subdivision 11."

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.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 1028, A bill for an act relating to education; enacting the Freedom from Censorship in Minnesota Public Schools Act; amending Minnesota Statutes 2000, section 120A.22, subdivision 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [120B.25] [AMERICAN HERITAGE EDUCATION.]

(a) School districts shall adopt a policy to allow for grade-level instruction to assure that all students are encouraged, and have the opportunity, to read and study America's founding documents that are pertinent to understanding the principles, character, and world view of America's founders; including documents that contributed to the foundation or maintenance of America's representative republican form of limited government, the Bill of Rights, our free-market economic system, and patriotism. Districts shall permit a principal or teacher, in the ordinary course of their duties, to use, read, or post in a public school building or classroom any excerpts or portions of the documents, writings, speeches, proclamations, or records relating to the history, heritage, or foundation of the United States or the state of Minnesota, including, but not limited to:

(1) the Mayflower compact;

(2) the Declaration of Independence;

(3) the Constitutions of the United States and the state of Minnesota;

(4) the Northwest Ordinance of 1787;

(5) the "original" Pledge of Allegiance and the national anthem;

(6) Washington's farewell address to the nation, Lincoln's Gettysburg address, and other writings from George Washington Carver, Phyllis Wheatley, Florence Nightingale, and Martin Luther King; and

(7) the published records of Congress and the United States Supreme Court decisions.

(b) In the ordinary course of providing instruction and curriculum, districts may not prohibit the use of documents, writings, speeches, proclamations, or records described under paragraph (a) based on religious references. These and any other materials must be used for educational purposes and not to establish any religion or religious doctrine.

(c) Students may voluntarily choose to read, write, share, report, or otherwise study a topic which is religious in nature provided other students are provided with the same opportunity to freely choose a topic.

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

Sec. 2. [TITLE.]

Minnesota Statutes, section 120B.25, shall be known as the American Heritage Education in Minnesota Public Schools Act.

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

Sec. 3. [LEARNING AREA SEVEN SOCIAL STUDIES RULE REPEALED.]

Minnesota Rules, part 3501.0447, governing the profile of learning specifications for high school content standards in social studies, is repealed.

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

Delete the title and insert:

"A bill for an act relating to education; enacting the American Heritage Education in Minnesota Public Schools Act; proposing coding for new law in Minnesota Statutes, chapter 120B; repealing Minnesota Rules, part 3501.0447."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1086, A bill for an act relating to community development; providing management and technical assistance to nonprofit organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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.

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

H. F. No. 1145, A bill for an act relating to veterinary medicine; authorizing certain cease and desist orders; proposing coding for new law in Minnesota Statutes, chapter 156.

Reported the same back with the following amendments:

Page 1, line 7, after the headnote, insert "In addition to the remedies and procedures applicable to the health-related licensing board provided in chapter 214,"

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. 1330, A bill for an act relating to crime prevention; imposing a felony penalty for aggravated cruelty to pet or companion animals; amending Minnesota Statutes 2000, sections 343.20, by adding subdivisions; and 343.21, subdivisions 9 and 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 343.20, is amended by adding a subdivision to read:

Subd. 6. [PET OR COMPANION ANIMAL.] "Pet or companion animal" includes any animal owned, possessed by, cared for, or controlled by a person for the present or future enjoyment of that person or another as a pet or companion; or any stray pet or stray companion animal.

Sec. 2. Minnesota Statutes 2000, section 343.20, is amended by adding a subdivision to read:

Subd. 7. [SERVICE ANIMAL.] "Service animal" means an animal trained to assist a person with a disability.

Sec. 3. Minnesota Statutes 2000, section 343.20, is amended by adding a subdivision to read:

Subd. 8. [SUBSTANTIAL BODILY HARM.] "Substantial bodily harm" means bodily injury which involves a temporary but substantial disfigurement, or which causes a temporary but substantial loss or impairment of the function of any bodily member or organ, or which causes a fracture of any bodily member to a service animal or a pet or companion animal.

Sec. 4. Minnesota Statutes 2000, section 343.20, is amended by adding a subdivision to read:

Subd. 9. [GREAT BODILY HARM.] "Great bodily harm" means bodily injury which creates a high probability of death, or which causes serious permanent disfigurement, or which causes a permanent or protracted loss or impairment of the function of any bodily member or organ, or other serious bodily harm to a service animal or a pet or companion animal.

Sec. 5. Minnesota Statutes 2000, section 343.21, is amended by adding a subdivision to read:

Subd. 8a. [HARMING A SERVICE ANIMAL.] No person shall intentionally and without justification cause bodily harm to a service animal while it is providing service or while it is in the custody of the person it serves.

Sec. 6. Minnesota Statutes 2000, section 343.21, subdivision 9, is amended to read:

Subd. 9. [PENALTY.] (a) Except as otherwise provided in this subdivision, a person who fails to comply with any provision of this section is guilty of a misdemeanor. A person convicted of a second or subsequent violation of subdivision 1 or 7 within five years of a previous violation of subdivision 1 or 7 is guilty of a gross misdemeanor.

(b) A person who intentionally violates subdivision 1 or 7 where the violation results in substantial bodily harm to a pet or companion animal may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(c) A person convicted of violating paragraph (b) within five years of a previous gross misdemeanor or felony conviction for violating this section may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(d) A person who intentionally violates subdivision 1 or 7 where the violation results in death or great bodily harm to a pet or companion animal may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(e) A person who violates subdivision 8a where the violation results in substantial bodily harm to a service animal may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.



(f) A person who intentionally violates subdivision 1 or 7 where the violation results in substantial bodily harm to a pet or companion animal, and the act is done to threaten, intimidate, or terrorize another person, may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(g) A person who violates subdivision 8a where the violation results in death or great bodily harm to a service animal may be sentenced to imprisonment for not more than four years or to payment of a fine of not more than \$10,000, or both.

(h) A person who intentionally violates subdivision 1 or 7 where the violation results in death or great bodily harm to a pet or companion animal, and the act is done to threaten, intimidate, or terrorize another person, may be sentenced to imprisonment for not more than four years or to payment of a fine of not more than \$10,000, or both.

Sec. 7. Minnesota Statutes 2000, section 343.21, subdivision 10, is amended to read:

Subd. 10. [RESTRICTIONS.] If a person is convicted of violating this section, the court shall require that pet or companion animals, ~~as defined in section 346.36, subdivision 6,~~ that have not been seized by a peace officer or agent and are in the custody or control of the person must be turned over to a peace officer or other appropriate officer or agent unless the court determines that the person is able and fit to provide adequately for an animal. If the evidence indicates lack of proper and reasonable care of an animal, the burden is on the person to affirmatively demonstrate by clear and convincing evidence that the person is able and fit to have custody of and provide adequately for an animal. The court may limit the person's further possession or custody of pet or companion animals, and may impose other conditions the court considers appropriate, including, but not limited to:

(1) imposing a probation period during which the person may not have ownership, custody, or control of a pet or companion animal;

(2) requiring periodic visits of the person by an animal control officer or agent appointed pursuant to section 343.01, subdivision 1;

(3) requiring performance by the person of community service ~~in a humane facility;~~ and

(4) requiring the person to receive psychological, behavioral, or other counseling.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 2001, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 3, before "pet" insert "service," and after "pet" insert a comma

Page 1, line 6, delete "and" and insert a comma and after "10" insert ", and by adding a subdivision"

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

The report was adopted.

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

H. F. No. 1406, A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

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

The report was adopted.

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

H. F. No. 1481, A bill for an act relating to conservation; modifying the definition of landowner for purposes of participation in the RIM program; increasing the amount of funding available to participants; amending Minnesota Statutes 2000, sections 103F.511, subdivision 6; and 103F.515, subdivision 6.

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

The report was adopted.

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

H. F. No. 1615, A bill for an act relating to insurance; regulating liquidations and investments of insurers; amending Minnesota Statutes 2000, sections 60B.44, subdivision 4; 60L.01, subdivision 14; 60L.10, subdivision 1; 61A.276, subdivision 2; 61A.28, subdivision 6; 61A.29, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2000, section 60A.11, subdivision 10, is amended to read:

Subd. 10. [DEFINITIONS.] The following terms have the meaning assigned in this subdivision for purposes of this section and section 60A.111:

(a) "Adequate evidence" means a written confirmation, advice, or other verification issued by a depository, issuer, or custodian bank which shows that the investment is held for the company;

(b) "Adequate security" means a letter of credit qualifying under subdivision 11, paragraph (f), cash, or the pledge of an investment authorized by any subdivision of this section;

(c) "Admitted assets," for purposes of computing percentage limitations on particular types of investments, means the assets as shown by the company's annual statement, required by section 60A.13, as of the December 31 immediately preceding the date the company acquires the investment;

(d) "Clearing corporation" means The Depository Trust Company or any other clearing agency registered with the securities and exchange commission pursuant to the Securities Exchange Act of 1934, section 17A, Euro-clear Clearance System Limited and CEDEL S.A., and, with the approval of the commissioner, any other clearing corporation as defined in section 336.8-102;

(e) "Control" has the meaning assigned to that term in, and must be determined in accordance with, section 60D.15, subdivision 4;

(f) "Custodian bank" means a bank or trust company or a branch of a bank or trust company that is acting as custodian and is supervised and examined by state or federal authority having supervision over the bank or trust company or with respect to a company's foreign investments only by the regulatory authority having supervision over banks or trust companies in the jurisdiction in which the bank, trust company, or branch is located, and any banking institutions qualifying as an "Eligible Foreign Custodian" under the Code of Federal Regulations, section 270.17f-5, adopted under section 17(f) of the Investment Company Act of 1940, and specifically including Euro-clear Clearance System Limited and CEDEL S.A., acting as custodians;

(g) "Evergreen clause" means a provision that automatically renews a letter of credit for a time certain if the issuer of the letter of credit fails to affirmatively signify its intention to nonrenew upon expiration;

(h) "Government obligations" means direct obligations for the payment of money, or obligations for the payment of money to the extent guaranteed as to the payment of principal and interest by any governmental issuer where the obligations are payable from ad valorem taxes or guaranteed by the full faith, credit, and taxing power of the issuer and are not secured solely by special assessments for local improvements;

(i) "Noninvestment grade obligations" means obligations which, at the time of acquisition, were rated below Baa/BBB or the equivalent by a securities rating agency or which, at the time of acquisition, were not in one of the two highest categories established by the securities valuation office of the National Association of Insurance Commissioners;

(j) "Issuer" means the corporation, business trust, governmental unit, partnership, association, individual, or other entity which issues or on behalf of which is issued any form of obligation;

(k) "Licensed real estate appraiser" means a person who develops and communicates real estate appraisals and who holds a current, valid license under chapter 82B or a substantially similar licensing requirement in another jurisdiction;

(l) "Member bank" means a national bank, state bank or trust company which is a member of the Federal Reserve System;

(m) "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada;

(n) "NASDAQ" means the reporting system for securities meeting the definition of National Market System security as provided under Part I to Schedule D of the National Association of Securities Dealers Incorporated bylaws;

(o) "Obligations" include bonds, notes, debentures, transportation equipment certificates, repurchase agreements, bank certificates of deposit, time deposits, bankers' acceptances, and other obligations for the payment of money not in default as to payments of principal and interest on the date of investment, whether constituting general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment. Leases are considered obligations if the lease is assigned for the benefit of the company and is nonterminable by the lessee or lessees thereunder upon foreclosure of any lien upon the leased property, and rental payments are sufficient to amortize the investment over the primary lease term;

(p) "Qualified assets" means the sum of (1) all investments qualified in accordance with this section other than investments in affiliates and subsidiaries, (2) investments in obligations of affiliates as defined in section 60D.15, subdivision 2, secured by real or personal property sufficient to qualify the investment under subdivision 19 or 23, (3) qualified investments in subsidiaries, as defined in section 60D.15, subdivision 9, on a consolidated basis with the insurance company without allowance for goodwill or other intangible value, and (4) cash on hand and on deposit, agent's balances or uncollected premiums not due more than 90 days, assets held pursuant to section 60A.12,

subdivision 2, investment income due and accrued, funds due or on deposit or recoverable on loss payments under contracts of reinsurance entered into pursuant to section 60A.09, premium bills and notes receivable, federal income taxes recoverable, and equities and deposits in pools and associations;

(q) "Qualified net earnings" means that the net earnings of the issuer after elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period;

(r) "Replicated investment position" means the statement value of the position reported under the heading "Replicated (Synthetic) Asset" on Schedule DB, Part F, of the annual statement of the insurer, or any successor provision;

(s) "Replication transaction" means a derivative transaction that is intended to replicate the performance of one or more assets that an insurer is authorized to acquire under this section. A derivative transaction that either is authorized by subdivision 18, clause (5), or by subdivision 24, or is entered into as a hedging transaction shall not be considered a replication transaction;

(t) "Required liabilities" means the sum of (1) total liabilities as required to be reported in the company's most recent annual report to the commissioner of commerce of this state, (2) for companies operating under the stock plan, the minimum paid-up capital and surplus required to be maintained pursuant to section 60A.07, subdivision 5a, (3) for companies operating under the mutual or reciprocal plan, the minimum amount of surplus required to be maintained pursuant to section 60A.07, subdivision 5b, and (4) the amount, if any, by which the company's loss and loss adjustment expense reserves exceed 350 percent of its surplus as it pertains to policyholders as of the same date. The commissioner may waive the requirement in clause (4) unless the company's written premiums exceed 300 percent of its surplus as it pertains to policyholders as of the same date. In addition to the required amounts pursuant to clauses (1) to (4), the commissioner may require that the amount of any apparent reserve deficiency that may be revealed by one to five year loss and loss adjustment expense development analysis for the five years reported in the company's most recent annual statement to the commissioner be added to required liabilities;

(~~s~~) (u) "Revenue obligations" means obligations for the payment of money by a governmental issuer where the obligations are payable from revenues, earnings, or special assessments on properties benefited by local improvements of the issuer which are specifically pledged therefor;

(~~t~~) (v) "Security" has the meaning given in section 5 of the Security Act of 1933 and specifically includes, but is not limited to, stocks, stock equivalents, warrants, rights, options, obligations, American Depository Receipts (ADR's), repurchase agreements, and reverse repurchase agreements; and

(~~u~~) (w) "Unrestricted surplus" means the amount by which qualified assets exceed 110 percent of required liabilities.

Sec. 2. Minnesota Statutes 2000, section 60A.11, is amended by adding a subdivision to read:

Subd. 25a. [REPLICATION TRANSACTIONS.] An insurer engaging in replication transactions shall include all replicated investment positions in calculating compliance with the limitations on investments applicable to the insurer. Replication transactions are permitted only under the authority of subdivision 25. An insurer may invest its unrestricted surplus in a replication transaction only to the extent that the replicated investment position does not cause the total positions represented by the unrestricted surplus to be greater than the total positions represented by the unrestricted surplus as would be permitted in the absence of the replicated investment position.

Sec. 3. Minnesota Statutes 2000, section 60A.129, subdivision 5, is amended to read:

Subd. 5. [CONSOLIDATED FILING.] (a) The commissioner may allow an insurer to file a consolidated loss reserve certification required by subdivision 2, in lieu of separate loss certifications and may allow an insurer to file consolidated or combined audited financial statements required by subdivision 3, paragraph (a), in lieu of separate

annual audited financial statements, where it can be demonstrated that an insurer is part of a group of insurance companies that has a pooling or 100 percent reinsurance agreement which substantially affects the solvency and integrity of the reserves of the insurer and the insurer cedes all of its direct and assumed business to the pool. An affiliated insurance company not meeting these requirements may be included in the consolidated or combined audited financial statements, if the company's total admitted assets are less than five percent of the consolidated group's total admitted assets. If these circumstances exist, then the company may file a written application to file a consolidated loss reserve certification and/or consolidated or combined audited financial statements. This application shall be for a specified period.

(b) Upon written application by a domestic insurer, the commissioner may authorize the domestic insurer to include additional affiliated insurance companies in the consolidated or combined audited financial statements. Foreign insurers must obtain the prior written authorization of the commissioner of their state of domicile in order to submit an application for authority to file consolidated or combined audited financial statements. This application shall be for a specified period.

(c) A consolidated annual audit filing shall include a columnar consolidated or combining worksheet. Amounts shown on the audited consolidated or combined financial statement shall be shown on the worksheet. Amounts for each insurer shall be stated separately. Noninsurance operations may be shown on the worksheet on a combined or individual basis. Explanations of consolidating or eliminating entries shall be shown on the worksheet. A reconciliation of any differences between the amounts shown in the individual insurer columns of the worksheet and comparable amounts shown on the annual statement of the insurers shall be included on the worksheet.

Sec. 4. [60A.975] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For purposes of sections 60A.975 and 60A.976, the definitions in this section have the meanings given them.

Subd. 2. [ANNUITY ISSUER.] "Annuity issuer" means an insurer that issues an insurance contract used to fund periodic payments under a structured settlement agreement.

Subd. 3. [STRUCTURED SETTLEMENT.] "Structured settlement" means an arrangement for periodic payment of damages entered on behalf of a minor or incompetent person for personal injuries established by settlement or judgment.

Subd. 4. [STRUCTURED SETTLEMENT AGREEMENT.] "Structured settlement agreement" means the agreement, judgment, stipulation, or release embodying the terms of a structured settlement.

Sec. 5. [60A.976] [ANNUITY ISSUERS FINANCIAL REQUIREMENTS.]

An annuity purchased to finance a structured settlement agreement may be purchased only from an annuity issuer with a financial rating equivalent to A.M. Best Company A+ Class 8 or better; or a Standard & Poor's AA or better."

Page 2, after line 2, insert:

"Sec. 7. Minnesota Statutes 2000, section 60L.01, is amended by adding a subdivision to read:

Subd. 13a. [REPLICATED INVESTMENT POSITION.] "Replicated investment position" means the statement value of the position reported under the heading "Replicated (Synthetic) Asset" on Schedule DB, Part F, of the annual statement of the insurer, or any successor provision."

Page 2, line 5, after "REPLICATION" insert "TRANSACTION" and strike ""Replication"" and insert "Replication transaction"

Page 2, after line 16, insert:

"Sec. 9. Minnesota Statutes 2000, section 60L.08, is amended by adding a subdivision to read:

Subd. 7. [REPLICATION TRANSACTIONS.] (a) An insurer engaging in replication transactions shall include all replicated investment positions in calculating compliance with the limitations on investments contained in this section. So long as the insurer so complies with the limitations on investments contained in this section, then the insurer may count a replication transaction and any related investment of the insurer for the purposes specified in section 60L.11, to the extent the insurer has appropriately assigned the transaction or other investment to an investment class authorized in section 60L.07. An insurer shall not otherwise count replicated investment positions for the purposes specified in section 60L.11.

(b) If an investment position of the insurer includes a replicated investment position and exceeds an applicable limitation contained in this section, then the insurer may allocate part or all of the replicated investment position as follows for the purposes of calculating compliance with the limitations on investments and other requirements contained in sections 60L.01 to 60L.15: to the extent an insurer owns assets in excess of its minimum asset requirement, the insurer may deem a replicated investment position to be among such excess assets, but only to the extent that the replicated investment position does not cause the total positions represented by such excess assets to be greater than the total positions represented by such excess assets as would be permitted in the absence of the replicated investment position."

Page 3, line 11, after the period, insert "No funding agreement shall be issued in an amount less than \$1,000,000."

Page 8, after line 7, insert:

"Sec. 13. Minnesota Statutes 2000, section 61A.28, is amended by adding a subdivision to read:

Subd. 14. [REPLICATION TRANSACTIONS.] An insurer engaging in replication transactions shall include all replicated investment positions in calculating compliance with the limitations on investments applicable to the insurer. Replication transactions are permitted only under the authority of subdivision 12. For these purposes, "replication transaction" means a derivative transaction that is intended to replicate the performance of one or more assets that an insurer is authorized to acquire under applicable law. A derivative transaction that either is authorized by subdivision 6, 8, or 9a or section 61A.29, subdivision 2, paragraph (d), or is entered into as a hedging transaction shall not be considered a replication transaction. "Replicated investment position" means the statement value of the position reported under the heading "Replicated (Synthetic) Asset" on Schedule DB, Part F, of the annual statement of the insurer, or any successor provision."

Page 9, after line 10, insert:

"Sec. 15. [61A.321] [GUARANTY FUNDS.]

(a) A domestic mutual life insurance company may be formed with, or an existing domestic mutual life insurance company may establish, a guaranty fund divided into certificates of \$10 each, or multiples thereof, and this guaranty fund shall be invested in the same manner as is provided for the investment of capital stock of insurance companies.

(b) The certificate holders of the guaranty fund are entitled to an annual dividend of not more than ten percent on their respective certificates, if the net profits or unused premiums left after all losses, expenses, or liabilities then incurred, with reserves for reinsurance, are provided for, are sufficient to pay the annual dividend. If the dividends in any one year are less than ten percent, the difference may be made up in any subsequent year or years from the net profits. Approval of the commissioner must be obtained before accrual for or payment of the dividend, or any repayment of principal.

(c) The guaranty fund must be applied to the payment of losses and expenses when necessary, and, if the guaranty fund is impaired, the directors may make good the whole or any part of the impairment from future profits of the company, but no dividend shall be paid on guaranty fund certificates while the guaranty fund is impaired. The holder of the guaranty fund certificate is not liable for any more than the amount of the certificate which has not been paid in, and this amount must be plainly and legibly stated on the face of the certificate.

(d) Notwithstanding any other provision of law, each certificate holder of record is entitled to one vote in person or by proxy in any meeting of the members of the company for each \$10 investment in guaranty fund certificates.

(e) The guaranty fund may be reduced or retired by vote of the policyholders of the company and the assent of the commissioner, if the net assets of the company above its reinsurance reserve and all other claims and obligations and the amount of its guaranty fund certificates and interest on the certificates for two years last preceding and including the date of its last annual statement are not less than 50 percent of the premiums in force. Due notice of this proposed action on the part of the company shall be mailed to each policyholder of the company not less than 30 days before the meeting when the action may be taken.

(f) In domestic mutual life insurance companies with a guaranty fund, the certificate holders shall be entitled to choose and elect from among their own number or from among the policyholders at least one-half or more of the total number of directors.

(g) If any domestic mutual life insurance company with a guaranty fund ceases to do business, it shall not divide among its certificate holders any part of its assets or guaranty fund until all its debts and obligations have been paid or canceled.

(h) Foreign mutual life insurance companies having a guaranty fund shall not be required to make their certificate of guaranty fund conform to the provisions of this section, but when the certificates do not conform with this section, the amount of the guaranty fund shall be charged as a liability.

Sec. 16. Minnesota Statutes 2000, section 79.56, subdivision 3, is amended to read:

Subd. 3. [PENALTIES.] (a) Any insurer using a rate or a rating plan which has not been filed shall be subject to a fine of up to \$100 for each day the failure to file continues. The commissioner may, after a hearing on the record, find that the failure is willful. A willful failure to meet filing requirements shall be punishable by a fine of up to \$500 for each day during which a willful failure continues. These penalties shall be in addition to any other penalties provided by law.

(b) Notwithstanding this subdivision, an employer that generates ~~\$500,000~~ \$250,000 in annual written workers' compensation premium under the rates and rating plan of an insurer before the application of any large deductible rating plans, may be written by that insurer using rates or rating plans that are not subject to disapproval but which have been filed. ~~The \$500,000 threshold shall be increased on January 1, 1996, and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$1,000. The commissioner shall advise insurers licensed to write workers' compensation insurance in this state of the annual threshold adjustment.~~

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "regulating consolidated or combined financial statements and annuities purchased to finance structured settlement agreements; authorizing domestic mutual life companies to be formed with or establish guaranty funds; regulating certain workers compensation rates and rating plans;"

Page 1, line 4, after "sections" insert "60A.11, subdivision 10, by adding a subdivision; 60A.129, subdivision 5;"

Page 1, line 5, after "14" insert ", by adding a subdivision" and before "60L.10," insert "60L.08, by adding a subdivision;"

Page 1, line 6, after "6" insert ", by adding a subdivision"

Page 1, line 7, after "2" insert "; 79.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A"

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. 1763, A bill for an act relating to drainage; allowing transfer of a public drainage system to a water management authority; defining water management authority; amending Minnesota Statutes 2000, section 103E.005, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 103E.005, is amended by adding a subdivision to read:

Subd. 29. [WATER MANAGEMENT AUTHORITY.] "Water management authority" means a county or municipality, watershed district, watershed management organization, storm water management district, lake improvement district, subordinate service district, joint powers organization, or other special district organized and formed according to law for the purpose of managing storm, surface, and flood waters, or with the authority to manage storm, surface, and flood waters.

Sec. 2. [103E.812] [TRANSFER OF ALL OR PART OF DRAINAGE SYSTEM.]

Subdivision 1. [DRAINAGE LIEN PAYMENT PERIOD MUST EXPIRE.] After the period originally fixed or subsequently extended to pay the assessment of the drainage lien expires, all or part of a drainage system may be transferred from the jurisdiction of the drainage authority to a water management authority as provided in this section.

Subd. 2. [PETITIONERS.] (a) For drainage systems outside of the seven-county metropolitan area, and outside of the municipal boundaries of a city, a petition must be signed by at least 51 percent of the owners of property assessed for the construction of the drainage system, or portion of the drainage system proposed to be transferred, or by the owners of not less than 51 percent of the area of the property assessed for the drainage system, or portion of the drainage system sought to be transferred. The water management authority to which the drainage system is to be transferred must join the petition.

(b) For drainage systems wholly or partially within the municipal boundaries of a city, the city may petition for transfer if the drainage system or portion of the drainage system proposed to be transferred lies within the boundaries of the city. The water management authority to which the drainage system is to be transferred must join the petition.

(c) For drainage systems within the seven-county metropolitan area and within the jurisdictional boundaries of an existing water management authority, the water management authority may petition for transfer if the drainage system or portion of the drainage system proposed to be transferred lies within the boundaries of the water management authority.



(d) For the purpose of the petition, the county is the resident owner of all tax-forfeited property held by the state, under chapter 282, and assessed benefits for the drainage system, and the board may execute the petition for the county as an owner. This paragraph does not apply to lands acquired by the state under chapter 84A.

Subd. 3. [PETITION.] (a) The petition must designate the drainage system, or portion thereof, proposed to be transferred and show that the transfer is necessary for the orderly management of storm, surface, or flood waters, including management for water quality purposes.

(b) The petition must indicate the impact, if any, that the transfer will have on properties utilizing the drainage system for an outlet or otherwise benefiting from the existence of the drainage system.

(c) The petition must include an engineering report, prepared by the transferee water management authority, establishing, for the record, the nature and extent of the drainage easement occupied by the drainage system, and the as-constructed, or subsequently improved, depth, grade, and hydraulic capacity of the drainage system.

Subd. 4. [FILING PETITION; JURISDICTION.] (a) If the drainage system is administered by a county or joint county drainage authority and if all property assessed for benefits in the drainage system is in one county, the petition must be filed with the auditor unless the petition is signed by the board, in which case the petition must be made to the district court of the county where the drainage system is located and filed with the court administrator. If the board, acting as the drainage authority, is also the petitioning water management authority, the petition must be made to the district court of the county where the drainage system is located and filed with the court administrator. If property assessed for benefits is in two or more counties, the petition must be filed with the auditor or court administrator of either (1) the county where the portion of the drainage system sought to be transferred exists; (2) the county not petitioning for the transfer; or (3) the county where the majority of the drainage system sought to be transferred exists.

(b) If the drainage system is administered by the board of managers of a watershed district, the petition must be filed with the secretary of the watershed district. If the watershed district is also the petitioning water management authority, the petition must be filed with the court administrator consistent with the criteria in paragraph (a), clauses (1) to (3).

(c) When the petition is filed, the drainage authority in consultation with the auditor or secretary, or the court administrator with the approval of the court, shall set a time and location for a hearing on the petition. The auditor, secretary, or court administrator shall give notice by mail and publication of the time and location of the transfer hearing to all persons interested. The notice shall include a description of the property owner's right to object under subdivision 5. The drainage authority or the district court where the petition is properly filed has jurisdiction of the petition.

Subd. 5. [TRANSFER HEARING.] (a) At the hearing, the drainage authority or court shall examine the petition and determine whether it is sufficient and shall hear all interested parties.

(b) If a property owner assessed benefits for the drainage system appears and makes a written objection to the transfer of the drainage system, the drainage authority or court shall appoint a technical panel to examine the drainage system, the property, and the proposed transfer and report to the drainage authority or court. The hearing must be adjourned to make the examination and report and a date must be set to reconvene. The technical panel shall consist, at a minimum, of a representative of the drainage authority, a representative of the commissioner, a representative of the soil and water conservation district, a representative of the board of water and soil resources, and a viewer. The technical panel shall proceed to examine the drainage system, the property, and the property owner's objections to the proposed transfer of the system and report as soon as possible to the drainage authority or court with the merits of the objections. The technical panel shall also determine the extent to which the transfer of the drainage system will damage or take property. Nongovernment employee members of the technical panel must be compensated in the same manner as viewers under section 103E.645, subdivision 3.

(c) The board of water and soil resources and the commissioner, if requested by the drainage authority or court, shall provide any technical assistance, including engineering, surveys, hydrologic analyses, or water quality studies as requested by the drainage authority or court.

(d) When the hearing is reconvened, the drainage authority or court shall consider the technical panel's report and all evidence offered. If the drainage authority or court determines that storm, surface, or flood waters along the drainage system or within the benefited area of the drainage system, could be better managed by a water management authority, it shall authorize the transfer of the drainage system.

Subd. 6. [COSTS RELATED TO TRANSFER AND TRANSFER PROCEEDINGS.] Costs, including engineering and attorney fees, related to the proceedings to transfer a drainage system must be paid by the proposed transferee water management authority. If the drainage authority or court orders that the drainage authority should not be transferred, the drainage authority shall reimburse the water management authority from the drainage system account for the reasonable value of engineering work conducted as part of the transfer proceedings.

Subd. 7. [GUARANTEE OF OUTLET; NO COMPROMISE OF EXISTING RIGHTS.] (a) Any proceeding to transfer all or part of a drainage system to a water management authority must guarantee an outlet for property assessed for benefits on the transferred drainage system of at least equal hydraulic efficiency as that provided by the transferred drainage system in its as-constructed, or subsequently improved, state.

(b) The transfer of a drainage system to a water management authority is not a compromise of any property right held by an owner of assessed property on the transferred drainage system.

(c) A water management authority shall compensate any owner of property assessed for benefits on the transferred drainage system for the loss or impairment of any property right occurring after transfer of the drainage system.

Subd. 8. [EFFECT OF TRANSFER.] (a) After transfer of a drainage system, or any part thereof, to a water management authority, the drainage system ceases to be subject to regulation under this chapter. The water management authority may manage water within its jurisdictional boundaries according to whatever law controls the function of the water management authority. The transferred drainage system shall become a work and a responsibility of the transferee water management authority. All responsibility of the drainage authority for the transferred drainage system ends.

(b) Notwithstanding any law to the contrary, transfer of a drainage system under this section does not in any way diminish, compromise, or reduce the availability of exemptions for wetland replacement under sections 103G.2212 to 103G.2372 or exceptions to the requirements for public waters work permits under sections 103G.241 to 103G.251 for activities conducted in the transferred drainage system. Activities conducted in the transferred drainage system must continue to be eligible for all exemptions and exceptions available for activities conducted in drainage systems under sections 103G.2241 and 103G.245.

Subd. 9. [EFFECT ON OTHER LAW.] This section does not amend, supersede, or repeal any existing law providing for the transfer of a drainage system under this chapter, chapter 103D, or other law, but is supplementary to those laws."

Delete the title and insert:

"A bill for an act relating to drainage; allowing transfer of a public drainage system to a water management authority; defining water management authority; amending Minnesota Statutes 2000, section 103E.005, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103E."

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.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 1817, A bill for an act relating to utilities; modifying provisions regulating utility facilities in railroad rights-of-way; amending Minnesota Statutes 2000, section 237.04.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 237.04, is amended to read:

237.04 [WIRE CROSSING OR PARALLELING UTILITY LINE; RULES.]

(a) The department shall determine and promulgate reasonable rules covering the maintenance and operation, also the nature, location, and character of the construction to be used, where telephone, telegraph, electric light, power, or other electric wires of any kind, or any natural gas pipelines, cross, or more or less parallel the lines of any railroad, interurban railway, or any other similar public service corporation; and, to this end, shall formulate and from time to time, issue general rules covering each class of construction, maintenance, and operation of such telephone, telegraph, telecommunications, cable, fiber optic, electric wire, or natural gas pipeline crossing, or paralleling, under the various conditions existing; and the department, upon the complaint of any person, railroad, interurban railway, municipal utility, cooperative electric association, telephone company, telecommunications carrier, cable company, fiber optic carrier, or other public utility claiming to be injuriously affected or subjected to hazard by any such crossing or paralleling lines constructed or about to be constructed, shall, after a hearing, make such order and prescribe such terms and conditions for the construction, maintenance, and operation of the lines in question as may be just and reasonable.

(b) The department may, upon request of any municipal utility, electric cooperative association, ~~or~~ public utility, telephone company, telecommunications carrier, cable company, or fiber optic carrier determine the just and reasonable charge which a railroad, or owner of an abandoned railroad right-of-way, can prescribe for a new or existing crossing of a railroad right-of-way by ~~an~~ any telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line, or new or existing telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas lines more or less paralleling a railroad right-of-way, based on the diminution in value caused by the crossing or paralleling of the right-of-way by the telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line. This section shall not be construed to eliminate the right of a public utility, municipal utility, or electric cooperative association to have any of the foregoing issues determined pursuant to an eminent domain proceeding commenced under chapter 117. Unless the railroad, or owner of an abandoned railroad right-of-way, asserts in writing that the proposed crossing or paralleling is a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way, a crossing can be constructed following filing of the requested action with the department, pending review of the requested action by the department.

(c) The department shall assess the cost of reviewing the requested action, and of determining a just and reasonable charge, equally among the parties."

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

The report was adopted.

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

H. F. No. 1819, A bill for an act relating to health; eliminating commissioner's reporting requirement for alcohol and drug counselors; providing for exchange of information for investigations of alcohol and drug counselors; amending Minnesota Statutes 2000, sections 148C.03, subdivision 1; and 148C.099.

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

The report was adopted.

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

H. F. No. 1827, A bill for an act relating to the environment; expanding the pollution control agency's authority to expedite permits; amending Minnesota Statutes 2000, section 116.07, subdivision 4d.

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.

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

H. F. No. 1925, A bill for an act relating to crime victims; authorizing the director of the Minnesota center for crime victim services to adopt rules to administer the battered women's shelter per diem program; amending Minnesota Statutes 2000, section 611A.372.

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.

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

H. F. No. 1968, A bill for an act relating to natural resources; adding a river as a canoe and boating route; appropriating money; amending Minnesota Statutes 2000, section 85.32, subdivision 1.

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.

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

H. F. No. 1997, A bill for an act relating to public safety; modifying weapons training requirements in rules of the board of private detective and protective agent services; amending Minnesota Statutes 2000, section 326.3361, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 24, after "techniques" insert "for those employees who are issued or carry such weapons"

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.

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

H. F. No. 2220, A bill for an act relating to Benton county; authorizing a conveyance for no or nominal consideration to the Benton county historical society.

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

The report was adopted.

Pursuant to Senate Concurrent Resolution No. 5, H. F. No. 2220 was re-referred to the Committee on Rules and Legislative Administration.

Stanek from the Committee on Judiciary Finance to which was referred:

H. F. No. 2244, A bill for an act relating to courts; providing for state funding of trial courts in unfunded judicial districts; amending Minnesota Statutes 2000, sections 97A.065, subdivision 2; 179A.101, subdivision 1; 179A.102, subdivision 6; 179A.103, subdivision 1; 273.1398, subdivision 4a; 299D.03, subdivision 5; 357.021, subdivision 1a; 480.181, subdivision 1; 487.33, subdivision 5; 574.34, subdivision 1.

Reported the same back with the recommendation that 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. 2279, A bill for an act relating to tax increment financing; city of St. Paul; authorizing special income limits for a housing district.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 2333, A bill for an act relating to taxation; authorizing creation of a housing tax increment financing district in the city of St. Paul.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

S. F. No. 110, A bill for an act relating to local government; authorizing the establishment of a specific nonprofit corporation in development region eight to operate and manage the Prairieland Exposition Center.

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

The report was adopted.

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

S. F. No. 702, A bill for an act relating to natural resources; modifying requirements for the Blufflands trail system; amending Minnesota Statutes 2000, section 85.015, subdivision 7.

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:

S. F. No. 1047, A bill for an act relating to data practices; apartment manager background checks; requiring certain checks to be performed on individuals who have resided in Minnesota less than ten years; amending Minnesota Statutes 2000, section 299C.68, subdivisions 2 and 3.

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

The report was adopted.

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

S. F. No. 1204, A bill for an act relating to insurance; regulating the use of HIV and bloodborne pathogen tests; amending Minnesota Statutes 2000, section 72A.20, subdivision 29.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

S. F. No. 1419, A bill for an act relating to payment bonds; regulating notices of claims; amending Minnesota Statutes 2000, section 574.31, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 16, delete the new language and reinstate the stricken language

Page 2, line 3, delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 801, 1028, 1406, 1481, 1615 and 1819 were read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 110, 702, 1047, 1204, and 1419 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Davids introduced:

H. F. No. 2401, A bill for an act relating to taxation; sales and use; exempting the purchase of construction materials and equipment used in a wastewater treatment system in the city of Ostrander; amending Minnesota Statutes 2000, section 297A.71, by adding a subdivision.

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

Pugh, Abrams, Entenza, Leighton and Greiling introduced:

H. F. No. 2402, A bill for an act relating to elections; moving the state primary from September to June and making conforming changes; amending Minnesota Statutes 2000, sections 10A.31, subdivision 6; 10A.321; 10A.322, subdivision 1; 10A.323; 204B.33; 204D.03, subdivision 1; 205.065, subdivision 1; 205A.03, subdivision 2.

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

Fuller and Stanek introduced:

H. F. No. 2403, A bill for an act relating to counties; providing for payment of the state sales tax on alcoholic beverages to counties; dedicating these revenues to alcohol abuse related costs of local governments; appropriating money; amending Minnesota Statutes 2000, section 297A.94; proposing coding for new law in Minnesota Statutes, chapter 373.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Abeler and Dawkins introduced:

H. F. No. 2404, A bill for an act relating to education; allowing 12th grade students to graduate early or attend school half time; reallocating general education revenue for all-day kindergarten; amending Minnesota Statutes 2000, section 120B.07; proposing coding for new law in Minnesota Statutes, chapter 126C.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Hilty introduced:

H. F. No. 2405, A bill for an act relating to taxation; sales and use; exempting the purchase of construction materials and supplies used in a wastewater collection system in the Banning Junction area water and sanitary sewer district; amending Minnesota Statutes 2000, sections 297A.71, by adding a subdivision.

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

Kubly, Seifert, Ness, Wenzel, Juhnke and Marquart introduced:

H. F. No. 2406, A bill for an act relating to taxation; property; extending homestead classification to certain property held by an individual; extending homestead classification to certain trust property; making technical changes; amending Minnesota Statutes 2000, section 273.124, subdivisions 8; 14.

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

Ness; Skoe; Seagren; Pelowski; Penas; Dorn; Seifert; Erickson; Marquart; Cassell; Finseth; Ruth; Fuller; Osskopp; Walz; Davids; Clark, J.; Kalis; Hilty; Kielkucki; Kubly; Mulder; Howes; Harder; Mares and Sviggum introduced:

H. F. No. 2407, A bill for an act relating to education finance; modifying the definition of equity revenue; adding a small schools factor; appropriating money; amending Minnesota Statutes 2000, section 126C.10, subdivisions 24, 25, 27; repealing Minnesota Statutes 2000, section 126C.10, subdivision 28.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Johnson, R., and Swenson introduced:

H. F. No. 2408, A bill for an act relating to taxes; sales and use tax; exempting construction materials and equipment for a county courthouse in Nicollet county; appropriating money; amending Minnesota Statutes 2000, sections 297A.71, by adding a subdivision; 297A.75.

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

Krinkie; Buesgens; Milbert; Osthoff; Kielkucki; Lipman; Dawkins; Mulder; Gerlach; Jacobson; Vandever; Hackbarth; Howes; Anderson, B.; Olson; Tuma; Walz; Holberg; Lenczewski; Finseth; Lindner and Molnau introduced:

H. F. No. 2409, A bill for an act relating to taxation; proposing an amendment to the Minnesota Constitution, article X, section 1, by adding a section; article XI, sections 4, 6, 7, 9, 12; prohibiting the imposition of ad valorem taxes.

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

Dempsey, Ozment, Lieder and Anderson, I., introduced:

H. F. No. 2410, A bill for an act relating to capital improvements; providing funding for tunnel renovation at the Hastings veterans home; authorizing bonds; appropriating money.

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



Kuisle and Bishop introduced:

H. F. No. 2411, A bill for an act relating to appropriations; funding construction of a public safety radio system in southeastern Minnesota.

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

Solberg and Hilty introduced:

H. F. No. 2412, A bill for an act relating to crime; appropriating money to reimburse Aitkin county for extraordinary expenses related to criminal prosecutions and investigations.

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

Boudreau introduced:

H. F. No. 2413, A bill for an act relating to human services; providing monthly rates for group residential housing; amending Minnesota Statutes 2000, sections 144D.01, subdivision 4; 256I.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144D.

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

Otremba introduced:

H. F. No. 2414, A bill for an act relating to local government; updating United States Department of Agriculture financing program for cities, counties, and towns, and expanding the uses to include child care facilities; amending Minnesota Statutes 2000, section 465.73.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Dorman, Daggett, Kuisle, Lenczewski, Harder, Rifenberg, McElroy, Wilkin, Paulsen and Milbert introduced:

H. F. No. 2415, A bill for an act relating to taxation; reducing the general education tax rate; reducing class rates on certain properties; providing a market value homestead credit; eliminating the education homestead credit and education agricultural credit; amending Minnesota Statutes 2000, sections 126C.13, subdivision 1; 273.13, subdivisions 22, 23, 24, 25, 31; 273.1392; 273.1393; 276.04, subdivision 2; 290A.03, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 2000, sections 273.13, subdivision 24a; 273.1382.

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

Kalis and Goodno introduced:

H. F. No. 2416, A bill for an act relating to public safety; appropriating money to Minnesota safety council for traffic safety training and education.

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

Abeler, Huntley and Boudreau introduced:

H. F. No. 2417, A bill for an act relating to human services; appropriating money for the Minnesota commission serving deaf and hard of hearing people.

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

Entenza introduced:

H. F. No. 2418, A bill for an act relating to health; requiring cemeteries to be registered with the commissioner of health; providing funding for enforcement of and education about preneed arrangement requirements; appropriating money; amending Minnesota Statutes 2000, section 149A.03; proposing coding for new law in Minnesota Statutes, chapters 149A; 306; 307.

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

Davnie, Bernardy, Leighton, Mariani, Carlson, Mullery and Paymar introduced:

H. F. No. 2419, A bill for an act relating to housing; providing funding for existing and new housing programs; creating housing programs; appropriating money; amending Minnesota Statutes 2000, section 462A.201, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

### **MESSAGES FROM THE SENATE**

The following messages were 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. 264, A bill for an act relating to energy; correcting names of legislative committees represented by certain members of legislative electric energy task force; amending Minnesota Statutes 2000, section 216C.051, subdivision 2.

The Senate has appointed as such committee:

Senators Metzen, Anderson and Scheevel.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1780, 1206, 1460, 1154 and 1301.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 152, 486, 1369 and 1864.

PATRICK E. FLAHAVEN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 1780, A bill for an act relating to the board of government innovation and cooperation; extending an exemption for an Itasca county chemical dependency demonstration project; amending Minnesota Statutes 2000, section 465.797, subdivision 5a.

The bill was read for the first time.

Solberg moved that S. F. No. 1780 and H. F. No. 1747, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1206, A bill for an act relating to Indian affairs council; adding one member to the advisory council; amending Minnesota Statutes 2000, section 3.922, subdivision 8.

The bill was read for the first time.

Clark, K., moved that S. F. No. 1206 and H. F. No. 1687, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1460, A bill for an act relating to social work; applying the duty to warn law to social workers; allowing social workers to form and participate in professional firms; amending Minnesota Statutes 2000, sections 148B.281, by adding a subdivision; 319B.02, subdivision 19; 319B.40.

The bill was read for the first time.

Mahoney moved that S. F. No. 1460 and H. F. No. 1634, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1154, A bill for an act relating to the metropolitan radio board; extending the expiration date for the board to 2005; amending Laws 1995, chapter 195, article 1, section 18, as amended.

The bill was read for the first time.

Rhodes moved that S. F. No. 1154 and H. F. No. 1218, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1301, A bill for an act relating to changing certain bid and performance and payment bond thresholds; amending Minnesota Statutes 2000, section 469.015, subdivisions 1, 2, 3, and 5.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

S. F. No. 152, A bill for an act relating to public safety; requiring the commissioner to report on state patrol recruit training; appropriating money for a state patrol recruit training academy.

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

S. F. No. 486, A bill for an act relating to agriculture; extending the sunset date for the farmer-lender mediation program; amending Laws 1986, chapter 398, article 1, section 18, as amended.

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

S. F. No. 1369, A bill for an act relating to crime victims; authorizing the director of the Minnesota center for crime victim services to adopt rules to administer the battered women's shelter per diem program; amending Minnesota Statutes 2000, section 611A.372.

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

S. F. No. 1864, A bill for an act relating to state procurement; authorizing the commissioner to enter into agreements to acquire cooling services; amending Minnesota Statutes 2000, section 16C.22.

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

## **CONSENT CALENDAR**

S. F. No. 1404 was reported to the House.

Haas moved that S. F. No. 1404 be removed from the Consent Calendar and be placed on the General Register. The motion prevailed.

The following Conference Committee Report was received:

### **CONFERENCE COMMITTEE REPORT ON H. F. NO. 57**

A bill for an act relating to drivers' licenses; including certain crimes against children as disqualifying offenses for purposes of school bus endorsements on drivers' licenses; amending Minnesota Statutes 2000, section 171.3215, subdivision 1.

April 2, 2001

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable Don Samuelson  
President of the Senate

We, the undersigned conferees for H. F. No. 57, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 57 be further amended as follows:

Page 2, line 8, before the period, insert ", and applies to offenses committed before, on, or after that date"

We request adoption of this report and repassage of the bill.

House Conferees: CAROL L. MOLNAU, MATT ENTENZA AND TONY KIELKUCKI.

Senate Conferees: CLAIRE A. ROBLING, GRACE S. SCHWAB AND DEAN E. JOHNSON.

Molnau moved that the report of the Conference Committee on H. F. No. 57 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 57, A bill for an act relating to drivers' licenses; including certain crimes against children as disqualifying offenses for purposes of school bus endorsements on drivers' licenses; amending Minnesota Statutes 2000, section 171.3215, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dawkins	Gray	Johnson, S.	Mahoney	Ozment
Abrams	Dehler	Greiling	Juhnke	Mares	Paulsen
Anderson, B.	Dempsey	Gunther	Kahn	Mariani	Pawlenty
Anderson, I.	Dibble	Haas	Kalis	Marko	Paymar
Bakk	Dorman	Hackbarth	Kelliher	Marquart	Pelowski
Bernardy	Dorn	Harder	Kielkucki	McElroy	Penas
Biernat	Eastlund	Hausman	Knoblach	McGuire	Peterson
Bishop	Entenza	Hilstrom	Koskinen	Milbert	Pugh
Boudreau	Erhardt	Hilty	Kubly	Molnau	Rhodes
Bradley	Erickson	Holberg	Kuistle	Mulder	Rifenberg
Buesgens	Evans	Holsten	Larson	Mullery	Rukavina
Carlson	Finseth	Howes	Leighton	Murphy	Ruth
Cassell	Folliard	Huntley	Lenczewski	Ness	Schumacher
Clark, J.	Fuller	Jacobson	Leppik	Nornes	Seagren
Clark, K.	Gerlach	Jaros	Lieder	Olson	Seifert
Daggett	Gleason	Jennings	Lindner	Opatz	Sertich
Davids	Goodno	Johnson, J.	Lipman	Osskopp	Skoe
Davnie	Goodwin	Johnson, R.	Luther	Osthoff	Skoglund

Slawik	Swapinski	Tingelstad	Walker	Westerberg	Wolf
Smith	Swenson	Tuma	Walz	Westrom	Workman
Solberg	Sykora	Vandev eer	Wasiluk	Wilkin	Spk. Sviggum
Stang	Thompson	Wagenius	Wenzel	Winter	

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

### CALENDAR FOR THE DAY

S. F. No. 991, A bill for an act relating to education; notifying schools of student possession of drug paraphernalia; amending Minnesota Statutes 2000, section 121A.28.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker called Dehler to the Chair.

H. F. No. 1383 was reported to the House.

Kahn, Bishop, Paymar, McGuire, Hausman and Skoglund moved to amend H. F. No. 1383 as follows:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 2000, section 169.974, subdivision 4, is amended to read:

Subd. 4. [EQUIPMENT FOR OPERATOR AND PASSENGER.] (a) No person ~~under the age of 18~~ shall operate or ride a motorcycle on the streets and highways of this state without wearing protective headgear that complies with standards established by the commissioner of public safety; and no person shall operate a motorcycle without wearing an eye-protective device.

(b) The provisions of this subdivision shall not apply to persons during their participation in a parade for which parade a permit or other official authorization has been granted by a local governing body or other governmental authority or to persons riding within an enclosed cab."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring motorcyclists to wear protective headgear;"

Page 1, line 5, delete "subdivision 3" and insert "subdivisions 3, 4"

A roll call was requested and properly seconded.

The question was taken on the Kahn et al amendment and the roll was called. There were 14 yeas and 116 nays as follows:

Those who voted in the affirmative were:

Bishop	Hausman	Kalis	Skoglund	Walker
Clark, K.	Jaros	McGuire	Swapinski	Wenzel
Dibble	Kahn	Paymar	Wagenius	

Those who voted in the negative were:

Abeler	Dehler	Greiling	Kelliher	Marko	Penas
Abrams	Dempsey	Gunther	Kielkucki	Marquart	Peterson
Anderson, B.	Dorman	Haas	Knoblach	McElroy	Pugh
Anderson, I.	Dorn	Hackbarth	Koskinen	Milbert	Rhodes
Bakk	Eastlund	Harder	Kubly	Molnau	Rifenberg
Bernardy	Entenza	Hilstrom	Kuisle	Mulder	Rukavina
Biernat	Erhardt	Hilty	Larson	Mullery	Ruth
Boudreau	Erickson	Holberg	Leighton	Murphy	Schumacher
Bradley	Evans	Holsten	Lenczewski	Ness	Seagren
Buesgens	Finseth	Howes	Leppik	Nornes	Seifert
Carlson	Folliard	Huntley	Lieder	Olson	Sertich
Cassell	Fuller	Jacobson	Lindner	Opatz	Skoe
Clark, J.	Gerlach	Jennings	Lipman	Osskopp	Slawik
Daggett	Gleason	Johnson, J.	Luther	Ozment	Smith
Davids	Goodno	Johnson, R.	Mahoney	Paulsen	Solberg
Davnie	Goodwin	Johnson, S.	Mares	Pawlenty	Stang
Dawkins	Gray	Juhnke	Mariani	Pelowski	Swenson

Sykora	Tuma	Wasiluk	Wilkin	Workman
Thompson	Vandever	Westerberg	Winter	Spk. Sviggum
Tingelstad	Walz	Westrom	Wolf	

The motion did not prevail and the amendment was not adopted.

H. F. No. 1383, A bill for an act relating to motor vehicles; repealing restrictions on handlebar height for motorcycles and motorized bicycles; amending Minnesota Statutes 2000, section 169.974, subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kahn	Mullery	Skoglund	Wagenius
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The bill was passed and its title agreed to.

S. F. No. 9, A bill for an act relating to local government; authorizing cities to provide housing assistance to secure fire and ambulance service; proposing coding for new law in Minnesota Statutes, chapter 412.

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



The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Gerlach	Holberg	Molnau	Mulder	Westrom
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The bill was passed and its title agreed to.

H. F. No. 1280 was reported to the House.

There being no objection, H. F. No. 1280 was temporarily laid over on the Calendar for the Day.

S. F. No. 480 was reported to the House.

McElroy moved to amend S. F. No. 480 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 37, the first engrossment:

"Section 1. Minnesota Statutes 2000, section 169.03, subdivision 7, is amended to read:

Subd. 7. [~~STREETCAR AND TROLLEY~~ STREETCARS.] Streetcars ~~and trackless trolley cars~~, except where otherwise specifically provided, shall be governed by the same rules as provided in this chapter for vehicles and motor vehicles, only insofar as such rules apply to speed, stopped at through streets and railroad tracks, and obeying signals of traffic-control devices and rights-of-way, driving under the influence of drugs or intoxicating

liquor, careless driving, and the stopping at the scene of an accident and giving the information as required by this chapter, and following vehicles too closely, and shall be entitled to the same rights and benefits of this chapter, as to warning, turning and stopping signals and rights-of-way, as any vehicles or motor vehicle in the streets and highways of this state.

Sec. 2. Minnesota Statutes 2000, section 169.20, subdivision 5, is amended to read:

Subd. 5. [EMERGENCY VEHICLE.] (a) Upon the immediate approach of an authorized emergency vehicle equipped with at least one lighted lamp exhibiting red light visible under normal atmospheric conditions from a distance of 500 feet to the front of such vehicle and, except where otherwise not required by law, when the driver is giving audible signal by siren, the driver of each other vehicle shall yield the right-of-way and shall immediately drive to a position parallel to and as close as possible to the right-hand edge or curb of the highway clear of any intersection, and shall stop and remain in this position until the authorized emergency vehicle has passed, except when otherwise directed by a police officer. The driver of another vehicle on a one-way roadway shall drive to the closest edge or curb and stop. The driver of an authorized emergency vehicle escorting the movement of a vehicle or load which is oversize or overweight need not sound an audible signal by siren but shall exhibit the light required by this paragraph. The driver of each other vehicle then shall yield the right-of-way, as required by this paragraph, to the emergency vehicle escorting the vehicle or load which is oversize or overweight.

(b) Upon the approach of an authorized emergency vehicle the driver of each ~~street car and the operator of each trackless trolley car~~ streetcar shall immediately stop ~~such the~~ car clear of any intersection and keep it in this position and keep the doors and gates of the ~~street car or trackless trolley car~~ closed until the authorized emergency vehicle has passed, except when otherwise directed by a police officer.

(c) A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of paragraph (a) within the four-hour period following the termination of the emergency incident.

(d) This subdivision shall not operate to relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of persons using the highways.

Sec. 3. Minnesota Statutes 2000, section 169.46, is amended to read:

169.46 [HITCHING BEHIND VEHICLE.]

No person shall hitch a toboggan, hand sled, bicycle, or other similar device onto any motor vehicle, ~~street car or trackless trolley car~~ streetcar while being used on a highway.

Sec. 4. Minnesota Statutes 2000, section 169.80, subdivision 2, is amended to read:

Subd. 2. [OUTSIDE WIDTH.] (a) The total outside width of a vehicle exclusive of rear view mirrors or load securement devices which are not an integral part of the vehicle and not exceeding three inches on each side, or the load may not exceed 102 inches except that the outside width of a vehicle owned by a political subdivision and used exclusively for the purpose of handling sewage sludge from sewage treatment facilities to farm fields or disposal sites, may not exceed 12 feet, and except as otherwise provided in this section.

(b) A vehicle exceeding 102 inches in total outside width, owned by a political subdivision and used for the purpose of transporting or applying sewage sludge to farm fields or disposal sites may not transport sludge for distances greater than 15 miles, nor may it be used for transportation of sewage sludge or return travel between the hours of sunset and sunrise, or at any other time when visibility is impaired by weather, smoke, fog, or other conditions rendering persons and vehicles not clearly discernible on the highway at a distance of 500 feet.

(c) The total outside width of a low bed trailer or equipment dolly, and the load, used exclusively for transporting farm machinery and construction equipment may not exceed nine feet in width except that a low bed trailer or equipment dolly with a total outside width, including the load, in excess of 102 inches may not be operated on any interstate highway without first having obtained a permit for the operation under section 169.86. The vehicle must display 12-inch square red flags as markers at the front and rear of the left side of the vehicle.

(d) The total outside width of a ~~trackless trolley car~~ or passenger motor bus, operated exclusively in a city or contiguous cities in this state, may not exceed nine feet.

Sec. 5. [REPEALER.]

Minnesota Statutes 2000, sections 169.01, subdivision 18; 169.38; and 169.901, are repealed."

Delete the title and insert:

"A bill for an act relating to traffic regulations; abolishing statutes that define trackless trolley car, that regulate driving through rough country, and that prohibit employment by passenger carriers of persons addicted to liquor; making conforming changes; amending Minnesota Statutes 2000, sections 169.03, subdivision 7; 169.20, subdivision 5; 169.46; and 169.80, subdivision 2; repealing Minnesota Statutes 2000, sections 169.01, subdivision 18; 169.38; and 169.901."

The motion prevailed and the amendment was adopted.

S. F. No. 480, A bill for an act relating to traffic regulations; abolishing statutes that define trackless trolley car, that regulate driving through rough country, and that prohibit employment by passenger carriers of persons addicted to liquor; repealing Minnesota Statutes 2000, sections 169.01, subdivision 18; 169.38; and 169.901.

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

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

Those who voted in the affirmative were:

Abeler	Dawkins	Gray	Johnson, S.	Mahoney	Ozment
Abrams	Dehler	Greiling	Juhnke	Mares	Paulsen
Anderson, B.	Dempsey	Gunther	Kahn	Mariani	Pawlenty
Anderson, I.	Dibble	Haas	Kalis	Marko	Paymar
Bakk	Dorman	Hackbarth	Kelliher	Marquart	Pelowski
Bernardy	Dorn	Harder	Kielkucki	McElroy	Penas
Biernat	Eastlund	Hausman	Knoblach	McGuire	Peterson
Bishop	Entenza	Hilstrom	Koskinen	Milbert	Pugh
Boudreau	Erhardt	Hilty	Kubly	Molnau	Rhodes
Bradley	Erickson	Holberg	Kuisle	Mulder	Rifenberg
Buesgens	Evans	Holsten	Larson	Mullery	Rukavina
Carlson	Finseth	Howes	Leighton	Murphy	Ruth
Cassell	Folliard	Huntley	Lenczewski	Ness	Schumacher
Clark, J.	Fuller	Jacobson	Leppik	Nornes	Seagren
Clark, K.	Gerlach	Jaros	Lieder	Olson	Seifert
Daggett	Gleason	Jennings	Lindner	Opatz	Sertich
Davids	Goodno	Johnson, J.	Lipman	Osskopp	Skoe
Davnie	Goodwin	Johnson, R.	Luther	Osthoff	Skoglund

Slawik	Swapinski	Tingelstad	Walz	Westrom	Workman
Smith	Swenson	Tuma	Wasiluk	Wilkin	Spk. Sviggum
Solberg	Sykora	Vandev eer	Wenzel	Winter	
Stang	Thompson	Wagenius	Westerberg	Wolf	

The bill was passed, as amended, and its title agreed to.

S. F. No. 249 was reported to the House.

Seifert moved to amend S. F. No. 249 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 253, the first engrossment:

"Section 1. [RULE REPEAL.]

(a) Minnesota Rules, parts 2500.2050; 2500.2060; and 2500.2070, are repealed.

(b) Minnesota Rules, parts 4635.0100; 4635.0200; and 4761.1230, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; health and human services; repealing obsolete rules; repealing Minnesota Rules, parts 2500.2050; 2500.2060; 2500.2070; 4635.0100; 4635.0200; and 4761.1230."

The motion prevailed and the amendment was adopted.

Seifert moved to amend S. F. No. 249, as amended, as follows:

Page 1, line 10, delete the first semicolon and insert "and"

Page 1, line 10, delete "; and"

Page 1, line 11, delete "4761.1230,"

Amend the title as follows:

Page 1, line 5, delete "; and 4761.1230"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 249, A bill for an act relating to state government; health and human services; repealing obsolete rules; amending Minnesota Statutes 2000, section 144.99, subdivision 1; repealing Minnesota Statutes 2000, section 144.495; Minnesota Rules, parts 2500.2050; 2500.2060; 2500.2070; 4620.1800; 4635.0100; 4635.0200; and 4761.1230.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

S. F. No. 971, A bill for an act relating to crimes; repealing law which prohibits holding itinerant carnivals; repealing Minnesota Statutes 2000, section 624.65.

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

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

Those who voted in the affirmative were:

Abeler	Bakk	Boudreau	Cassell	Davids	Dempsey
Abrams	Bernardy	Bradley	Clark, J.	Davnie	Dibble
Anderson, B.	Biernat	Buesgens	Clark, K.	Dawkins	Dorman
Anderson, I.	Bishop	Carlson	Daggett	Dehler	Dorn

Eastlund	Hausman	Knoblach	McGuire	Pugh	Thompson
Entenza	Hilstrom	Koskinen	Milbert	Rhodes	Tingelstad
Erhardt	Hilty	Kubly	Molnau	Rifenberg	Tuma
Erickson	Holberg	Kuisle	Mulder	Rukavina	Vandever
Evans	Holsten	Larson	Mullery	Ruth	Wagenius
Finseth	Howes	Leighton	Ness	Schumacher	Walker
Folliard	Huntley	Lenczewski	Nornes	Seagren	Walz
Fuller	Jacobson	Leppik	Olson	Seifert	Wasiluk
Gerlach	Jaros	Lieder	Opatz	Sertich	Wenzel
Gleason	Jennings	Lindner	Osskopp	Skoe	Westerberg
Goodno	Johnson, J.	Lipman	Osthoff	Skoglund	Westrom
Goodwin	Johnson, R.	Luther	Ozment	Slawik	Wilkin
Gray	Johnson, S.	Mahoney	Paulsen	Smith	Winter
Greiling	Juhnke	Mares	Pawlenty	Solberg	Wolf
Gunther	Kahn	Mariani	Paymar	Stang	Workman
Haas	Kalis	Marko	Pelowski	Swapinski	Spk. Sviggum
Hackbarth	Kelliher	Marquart	Penas	Swenson	
Harder	Kielkucki	McElroy	Peterson	Sykora	

The bill was passed and its title agreed to.

H. F. No. 553, A bill for an act relating to transportation; repealing obsolete or duplicative laws providing for payment of costs for transportation building, placement of slow-moving vehicle emblems on motorized golf carts, requiring driver's license revocation for criminal negligence, authorizing municipal vehicle inspection stations, and regulating addition of routes to certain federal-aid highway systems; repealing Minnesota Statutes 2000, sections 167.45; 169.045, subdivision 4; 169.11; 169.78; and 169.835.

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

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

Those who voted in the affirmative were:

Abeler	Dehler	Gunther	Kelliher	McElroy	Peterson
Abrams	Dempsey	Haas	Kielkucki	McGuire	Pugh
Anderson, B.	Dibble	Hackbarth	Knoblach	Milbert	Rhodes
Anderson, I.	Dorman	Harder	Koskinen	Molnau	Rifenberg
Bakk	Dorn	Hausman	Kubly	Mulder	Rukavina
Bernardy	Eastlund	Hilstrom	Kuisle	Mullery	Ruth
Biernat	Entenza	Hilty	Larson	Murphy	Schumacher
Bishop	Erhardt	Holberg	Leighton	Ness	Seagren
Boudreau	Erickson	Holsten	Lenczewski	Nornes	Seifert
Bradley	Evans	Howes	Leppik	Olson	Sertich
Buesgens	Finseth	Huntley	Lieder	Opatz	Skoe
Carlson	Folliard	Jacobson	Lindner	Osskopp	Skoglund
Cassell	Fuller	Jaros	Lipman	Osthoff	Slawik
Clark, J.	Gerlach	Jennings	Luther	Ozment	Smith
Clark, K.	Gleason	Johnson, J.	Mahoney	Paulsen	Solberg
Daggett	Goodno	Johnson, R.	Mares	Pawlenty	Stang
Davids	Goodwin	Juhnke	Mariani	Paymar	Swapinski
Davnie	Gray	Kahn	Marko	Pelowski	Swenson
Dawkins	Greiling	Kalis	Marquart	Penas	Sykora

Thompson	Vandever	Walz	Westerberg	Winter	Spk. Sviggum
Tingelstad	Wagenius	Wasiluk	Westrom	Wolf	
Tuma	Walker	Wenzel	Wilkin	Workman	

The bill was passed and its title agreed to.

S. F. No. 327, A bill for an act relating to towns; repealing a provision about certain male animals or breachy cattle; repealing Minnesota Statutes 2000, section 346.19.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 972, A bill for an act relating to crimes; repealing the law prohibiting endurance contests and striking a reference to it in law; amending Minnesota Statutes 2000, section 375.40; repealing Minnesota Statutes 2000, section 624.66.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Murphy                      Paymar

The bill was passed and its title agreed to.

H. F. No. 903, A bill for an act relating to motor vehicles; repealing restrictions on the sale of wagon covers and similar items; repealing Minnesota Statutes 2000, section 325F.38.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Davids	Eastlund	Gerlach	Hackbarth
Abrams	Bradley	Davnie	Entenza	Gleason	Harder
Anderson, B.	Buesgens	Dawkins	Erhardt	Goodno	Hausman
Anderson, I.	Carlson	Dehler	Erickson	Goodwin	Hilstrom
Bakk	Cassell	Dempsey	Evans	Gray	Hilty
Bernardy	Clark, J.	Dibble	Finseth	Greiling	Holberg
Biernat	Clark, K.	Dorman	Folliard	Gunther	Holsten
Bishop	Daggett	Dorn	Fuller	Haas	Howes



Huntley	Kubly	Marquart	Ozment	Seifert	Vandever
Jacobson	Kuisle	McElroy	Paulsen	Sertich	Wagenius
Jaros	Larson	McGuire	Pawlenty	Skoe	Walker
Jennings	Leighton	Milbert	Paymar	Skoglund	Walz
Johnson, J.	Lenczewski	Molnau	Pelowski	Slawik	Wasiluk
Johnson, R.	Leppik	Mulder	Penas	Smith	Wenzel
Johnson, S.	Lieder	Mullery	Peterson	Solberg	Westerberg
Juhnke	Lindner	Murphy	Pugh	Stang	Westrom
Kahn	Lipman	Ness	Rhodes	Swapinski	Wilkin
Kalis	Luther	Nornes	Rifenberg	Swenson	Winter
Kelliher	Mahoney	Olson	Rukavina	Sykora	Wolf
Kielkucki	Mares	Opatz	Ruth	Thompson	Workman
Knoblach	Mariani	Osskopp	Schumacher	Tingelstad	Spk. Sviggum
Koskinen	Marko	Osthoff	Seagren	Tuma	

The bill was passed and its title agreed to.

S. F. No. 570, A bill for an act relating to state government; repealing obsolete rules; repealing Minnesota Rules, parts 1800.1800; 1800.1900; 2870.0100, subpart 1; 2870.0200; 7300.0100; 7300.0110; 7300.0200; 7300.0300; 7300.0350; 7300.0500; 7300.0600; 7300.0700; 7300.0800; 7300.0810; 7300.0850; 7300.0900; 7300.1000; 7300.1100; 7300.1200; 7300.1300; 7300.1400; 7300.1500; 7300.1600; 7300.1700; 7300.1910; 7300.2000; 7300.2100; 7300.2400; 7300.2600; 7300.2800; 7300.2900; 7300.2950; 7300.3000; 7300.3100; 7300.3200; 7300.3300; 7306.0100; 7306.0150; 7306.0200; 7306.0300; 7306.0400; 7306.0500; 7306.0600; 7320.0010; 7320.0020; 7320.0030; 7320.0040; 7320.0050; 7320.0060; 7320.0070; 7320.0080; 7320.0090; 7320.0100; 7320.0110; 7320.0120; 7320.0130; 7320.0140; 7320.0150; 7320.0160; 7320.0170; 7320.0180; 7320.0190; 7320.0200; 7320.0210; 7320.0220; 7610.0100, subpart 17; 7610.0160; 7610.0700; 7645.0100; 7645.0110; 7645.0200; 7645.0210; 7645.0220; 7645.0230; 7645.0240; 7645.0250; 7645.0260; 7645.0300; 7645.0310; 7645.0320; 7645.0330; 7645.0340; 7645.0400; 7645.0410; 7645.0420; 7645.0430; 7645.0440; 7645.0450; 7645.0460; 7645.0470; 7645.0480; 7645.0500; 7645.0510; 7645.0520; 7645.0530; 7645.0540; 7645.0550; 7645.0560; 7645.0570; 7645.0580; 7660.0010; 7660.0020; 7660.0030; 7660.0040; 7660.0050; 7660.0060; 7660.0070; 7660.0080; 7660.0090; 7660.0100; 7665.0100; 7665.0110; 7665.0120; 7665.0130; 7665.0140; 7665.0150; 7665.0160; 7680.0100; 7680.0110; 7680.0120; 7680.0130; 7680.0140; 7680.0150; 7680.0160; 7680.0170; 7680.0180; 7680.0190; 7680.0200; 7856.1000, subpart 3; and 7857.3000, subpart 3.

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

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

Those who voted in the affirmative were:

Abeler	Cassell	Entenza	Greiling	Jaros	Kubly
Abrams	Clark, J.	Erhardt	Gunther	Jennings	Kuisle
Anderson, B.	Clark, K.	Erickson	Haas	Johnson, J.	Larson
Anderson, I.	Daggett	Evans	Hackbarth	Johnson, R.	Leighton
Bakk	Davids	Finseth	Harder	Johnson, S.	Lenczewski
Bernardy	Dawkins	Folliard	Hausman	Juhnke	Leppik
Biernat	Dehler	Fuller	Hilstrom	Kahn	Lieder
Bishop	Dempsey	Gerlach	Hilty	Kalis	Lindner
Boudreau	Dibble	Gleason	Holberg	Kelliher	Lipman
Bradley	Dorman	Goodno	Howes	Kielkucki	Luther
Buesgens	Dorn	Goodwin	Huntley	Knoblach	Mahoney
Carlson	Eastlund	Gray	Jacobson	Koskinen	Mares

Marko	Nornes	Penas	Sertich	Thompson	Westrom
Marquart	Olson	Peterson	Skoe	Tingelstad	Wilkin
McElroy	Opatz	Pugh	Skoglund	Tuma	Winter
McGuire	Osskopp	Rhodes	Slawik	Vandever	Wolf
Milbert	Osthoff	Rifenberg	Smith	Wagenius	Workman
Molnau	Ozment	Rukavina	Solberg	Walker	Spk. Sviggum
Mulder	Paulsen	Ruth	Stang	Walz	
Mullery	Pawlenty	Schumacher	Swapinski	Wasiluk	
Murphy	Paymar	Seagren	Swenson	Wenzel	
Ness	Pelowski	Seifert	Sykora	Westerberg	

The bill was passed and its title agreed to.

H. F. No. 1637 was reported to the House.

Dorman, Leppik, Workman and Kahn moved to amend H. F. No. 1637 as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2000, section 609.805, subdivision 2, is amended to read:

Subd. 2. ~~[ACTS CONSTITUTING.] Whoever intentionally does any of the following is guilty of a misdemeanor:~~

~~(1) issues or sells tickets to an event without printing thereon in a conspicuous place the price of the ticket and the seat number, if any; or~~

~~(2) Charges for admission to an event a price greater than that advertised or stated on tickets issued for the event; or~~

~~(3) Sells or offers to sell a ticket to an event at a price greater than that charged at the place of admission or printed on the ticket; or~~

~~(4) Having received a ticket to an event under conditions restricting its transfer, sells it in violation of such conditions; or~~

~~(5) Being in control of premises on or in which an event is conducted, permits the sale or exhibition for sale on or in such premises of a ticket to the event at a price greater than printed thereon, is guilty of a misdemeanor."~~

Page 1, line 7, delete "Section 1." and insert "Sec. 2."

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying provision prohibiting ticket scalping;"

Page 1, line 3, after the semicolon, insert "amending Minnesota Statutes 2000, section 609.805"

A roll call was requested and properly seconded.

The question was taken on the Dorman et al amendment and the roll was called. There were 39 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Goodno	Kielkucki	Osskopp	Wilkin
Bakk	Davnie	Goodwin	Kuistle	Pawlenty	Wolf
Biernat	Dehler	Holberg	Leppik	Rukavina	Workman
Bishop	Dorman	Holsten	Mares	Seifert	Spk. Sviggum
Buesgens	Dorn	Jaros	McGuire	Solberg	
Carlson	Eastlund	Johnson, J.	Molnau	Stang	
Cassell	Gerlach	Kahn	Nornes	Swenson	

Those who voted in the negative were:

Abeler	Finseth	Jennings	Mahoney	Penas	Tingelstad
Abrams	Folliard	Johnson, R.	Mariani	Peterson	Tuma
Anderson, I.	Fuller	Johnson, S.	Marko	Pugh	Vandever
Bernardy	Gleason	Juhnke	Marquart	Rhodes	Wagenius
Boudreau	Gray	Kalis	Milbert	Rifenberg	Walker
Bradley	Greiling	Kelliher	Mulder	Ruth	Walz
Clark, K.	Gunther	Knoblach	Mullery	Schumacher	Wasiluk
Daggett	Haas	Koskinen	Murphy	Seagren	Wenzel
Davids	Hackbarth	Kubly	Ness	Sertich	Westerberg
Dawkins	Harder	Larson	Olson	Skoe	Westrom
Dempsey	Hausman	Leighton	Opatz	Skoglund	Winter
Dibble	Hilstrom	Lenczewski	Osthoff	Slawik	
Entenza	Hilty	Lieder	Ozment	Smith	
Erhardt	Howes	Lindner	Paulsen	Swapinski	
Erickson	Huntley	Lipman	Paymar	Sykora	
Evans	Jacobson	Luther	Pelowski	Thompson	

The motion did not prevail and the amendment was not adopted.

H. F. No. 1637, A bill for an act relating to counties; repealing provisions requiring licensing of hawkers and peddlers by counties; repealing Minnesota Statutes 2000, sections 329.02; 329.03; 329.04; 329.05; 329.06; 329.07; 329.08; 329.09.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bishop	Clark, K.	Dibble	Evans	Goodwin
Abrams	Boudreau	Daggett	Dorman	Finseth	Gray
Anderson, B.	Bradley	Davids	Dorn	Folliard	Greiling
Anderson, I.	Buesgens	Davnie	Eastlund	Fuller	Gunther
Bakk	Carlson	Dawkins	Entenza	Gerlach	Haas
Bernardy	Cassell	Dehler	Erhardt	Gleason	Hackbarth
Biernat	Clark, J.	Dempsey	Erickson	Goodno	Harder

Hausman	Kalis	Mahoney	Opatz	Schumacher	Tuma
Hilstrom	Kelliher	Mares	Osskopp	Seagren	Vandev eer
Hilty	Kielkucki	Mariani	Osthoff	Seifert	Wagenius
Holberg	Knoblach	Marko	Ozment	Sertich	Walker
Holsten	Koskinen	Marquart	Paulsen	Skoe	Walz
Howes	Kubly	McElroy	Pawlenty	Skoglund	Wasiluk
Huntley	Kuisle	McGuire	Paymar	Slawik	Wenzel
Jacobson	Larson	Milbert	Pelowski	Smith	Westerberg
Jaros	Leighton	Molnau	Penas	Solberg	Westrom
Jennings	Lenczewski	Mulder	Peterson	Stang	Wilkin
Johnson, J.	Leppik	Mullery	Pugh	Swapinski	Winter
Johnson, R.	Lieder	Murphy	Rhodes	Swenson	Wolf
Johnson, S.	Lindner	Ness	Rifenberg	Sykora	Workman
Juhnke	Lipman	Nornes	Rukavina	Thompson	Spk. Sviggum
Kahn	Luther	Olson	Ruth	Tingelstad	

The bill was passed and its title agreed to.

S. F. No. 615, A bill for an act relating to environment; repealing obsolete rules; repealing Minnesota Rules, parts 4760.0015, subpart 6; 4760.0035; 7002.0305; 9220.0100; 9220.0110; 9220.0120; 9220.0130; 9220.0140; 9220.0150; 9220.0160; 9220.0170; 9220.0180; 9220.0800; 9220.0805; 9220.0810; 9220.0815; 9220.0820; 9220.0825; 9220.0830; 9220.0835; 9220.0900; 9220.0905; 9220.0910; 9220.0915; 9220.0920; 9220.0925; 9220.0930; and 9220.0935.

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

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, the Speaker excused Dorman from voting on final passage of S. F. No. 615.

There were 66 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Harder	Lipman	Pawlenty	Tingelstad
Abrams	Dempsey	Holberg	Mares	Pelowski	Tuma
Anderson, B.	Eastlund	Holsten	McElroy	Penas	Vandev eer
Bishop	Erhardt	Howes	Molnau	Rhodes	Walz
Boudreau	Finseth	Jacobson	Mulder	Rifenberg	Wenzel
Bradley	Fuller	Johnson, J.	Ness	Ruth	Westerberg
Buesgens	Gerlach	Kielkucki	Nornes	Seagren	Westrom
Cassell	Goodno	Knoblach	Olson	Smith	Wilkin
Clark, J.	Gunther	Kuisle	Osskopp	Stang	Wolf
Daggett	Haas	Leppik	Ozment	Swenson	Workman
Davids	Hackbarth	Lindner	Paulsen	Sykora	Spk. Sviggum

Those who voted in the negative were:

Anderson, I.	Carlson	Dibble	Evans	Gray	Hilty
Bakk	Clark, K.	Dorn	Folliard	Greiling	Huntley
Bernardy	Davnie	Entenza	Gleason	Hausman	Jaros
Biernat	Dawkins	Erickson	Goodwin	Hilstrom	Jennings

Johnson, R.	Kubly	Mariani	Opatz	Seifert	Thompson
Johnson, S.	Larson	Marko	Osthoff	Sertich	Wagenius
Juhnke	Leighton	Marquart	Paymar	Skoe	Walker
Kahn	Lenczewski	McGuire	Peterson	Skoglund	Wasiluk
Kalis	Lieder	Milbert	Pugh	Slawik	Winter
Kelliher	Luther	Mullery	Rukavina	Solberg	
Koskinen	Mahoney	Murphy	Schumacher	Swapinski	

Not having received the constitutionally required 68 votes the bill was not passed.

#### MOTION FOR RECONSIDERATION

Seifert moved that the vote whereby S. F. No. 615 was not passed earlier today be now reconsidered. The motion prevailed.

S. F. No. 615 was reported to the House.

Seifert moved that S. F. No. 615 be returned to the General Register. The motion prevailed.

H. F. No. 1616, A bill for an act relating to public safety; repealing obsolete rules of the commissioner of public safety prescribing standards for sirens on emergency vehicles; repealing Minnesota Rules, parts 7420.0200; 7420.0300; 7420.0400; 7420.9910; 7420.9920; 7420.9930.

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

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

Those who voted in the affirmative were:

Abeler	Dehler	Gunther	Kalis	Marquart	Peterson
Abrams	Dempsey	Haas	Kelliher	McElroy	Pugh
Anderson, B.	Dibble	Hackbarth	Kielkucki	McGuire	Rhodes
Anderson, I.	Dorman	Harder	Knoblach	Milbert	Rifenberg
Bakk	Dorn	Hausman	Koskinen	Molnau	Rukavina
Bernardy	Eastlund	Hilstrom	Kubly	Mulder	Ruth
Biernat	Entenza	Hilty	Kuisle	Murphy	Schumacher
Bishop	Erhardt	Holberg	Larson	Ness	Seagren
Boudreau	Erickson	Holsten	Leighton	Nornes	Seifert
Bradley	Evans	Howes	Lenczewski	Olson	Sertich
Buesgens	Finseth	Huntley	Leppik	Opatz	Skoe
Carlson	Folliard	Jacobson	Lieder	Osskopp	Skoglund
Cassell	Fuller	Jaros	Lindner	Osthoff	Slawik
Clark, J.	Gerlach	Jennings	Lipman	Ozment	Smith
Clark, K.	Gleason	Johnson, J.	Luther	Paulsen	Solberg
Daggett	Goodno	Johnson, R.	Mahoney	Pawlenty	Stang
Davids	Goodwin	Johnson, S.	Mares	Paymar	Swapinski
Davnie	Gray	Juhnke	Mariani	Pelowski	Swenson
Dawkins	Greiling	Kahn	Marko	Penas	Sykora

Thompson	Vandevveer	Walz	Westerberg	Winter	Spk. Sviggum
Tingelstad	Wagenius	Wasiluk	Westrom	Wolf	
Tuma	Walker	Wenzel	Wilkin	Workman	

The bill was passed and its title agreed to.

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

### MOTIONS AND RESOLUTIONS

Lindner moved that the name of Clark, K., be added as an author on H. F. No. 679. The motion prevailed.

Carlson moved that the name of Johnson, S., be added as an author on H. F. No. 2335. The motion prevailed.

McElroy moved that the name of Lenczewski be added as an author on H. F. No. 2339. The motion prevailed.

Ness moved that the name of Rifenberg be added as an author on H. F. No. 2407. The motion prevailed.

Finseth moved that H. F. No. 1547, now on the General Register, be re-referred to the Committee on Agriculture and Rural Development Finance. The motion prevailed.

Westerberg, Kahn, Mares, Milbert and McGuire introduced:

House Resolution No. 13, A house resolution recognizing the 2001 Women's World Hockey Championship games in Minnesota.

### SUSPENSION OF RULES

Westerberg moved that the rules be so far suspended that House Resolution No. 13 be now considered and be placed upon its adoption. The motion prevailed.

### HOUSE RESOLUTION NO. 13

A house resolution recognizing the 2001 Women's World Hockey Championship games in Minnesota.

*Whereas*, the sport of women's ice hockey has experienced rapid growth in recent years, with the support of law, legislative appropriation, and an enthusiastic public; and

*Whereas*, the 2001 Women's World Hockey Championship games will be played April 2 to 8, 2001, throughout Minnesota, specifically in the Twin Cities, St. Cloud, and Rochester, with the final rounds being played at Mariucci Arena on the University of Minnesota campus in Minneapolis; and

*Whereas*, women's national teams from the United States, Canada, Sweden, Finland, Russia, China, Kazakstan, and Germany will compete for the 2001 World Hockey Championship for the first time in the United States of America; and

*Whereas*, Team USA has earned the silver medal in all six International Ice Hockey Federation Women's World Championships, and the United States team defeated Canada, 3-0, in the championship game of the 1997 Three Nations Cup, marking the first time that Canada had ever been held scoreless and the first gold medal for Team USA in international competition; and

*Whereas*, at the 1998 Olympic Winter Games, Team USA made history on February 17 by claiming the first ever Olympic gold medal awarded for women's ice hockey; Gretchen Ulion, Shelley Looney, and Sandra Whyte all scored for Team USA in the 3-1 gold medal victory against Canada; *Now, Therefore*,

*Be It Resolved* by the House of Representatives of the State of Minnesota that it recognizes and welcomes the 2001 International Ice Hockey Federation Women's World Hockey Championship games to Minnesota.

*Be It Further Resolved* that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and transmit them to the International Ice Hockey Federation and Team USA.

Westerberg moved that House Resolution No. 13 be now adopted. The motion prevailed and House Resolution No. 13 was adopted.

#### ADJOURNMENT

Molnau moved that when the House adjourns today it adjourn until 3:00 p.m., Monday, April 9, 2001. The motion prevailed.

Molnau moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Monday, April 9, 2001.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

