

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2002

 NINETY-SEVENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 9, 2002

The House of Representatives convened at 10:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Rollin Kirk, North Presbyterian Church, North St. Paul, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Leppik was excused.

Huntley was excused until 10:30 a.m. Wolf was excused until 11:00 a.m. Olson was excused until 11:10 a.m. Goodwin was excused until 11:20 a.m. Dempsey was excused until 11:55 a.m. Walker was excused until 12:25 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Tingelstad 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 CHIEF CLERK

S. F. No. 3310 and H. F. No. 2232, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Larson moved that the rules be so far suspended that S. F. No. 3310 be substituted for H. F. No. 2232 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 5, 2002

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 2706, relating to traffic regulations; modifying traffic laws relating to emergency vehicles; imposing misdemeanor penalty for intentionally obstructing emergency vehicle during emergency duty; making clarifying changes.

Sincerely,

JESSE VENTURA
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2002 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2002</i>	<i>Date Filed 2002</i>
2881		315	12:56 p.m. April 5	April 5
2612		316	12:58 p.m. April 5	April 5
2680		317	12:55 p.m. April 5	April 5
2739		318	12:56 p.m. April 5	April 5
	2706	319	12:59 p.m. April 5	April 5

Sincerely,

MARY KIFFMEYER
Secretary of State

SECOND READING OF SENATE BILLS

S. F. No. 3310 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Opatz introduced:

H. F. No. 3714, A bill for an act relating to unemployment insurance; providing extra unemployment benefits for certain workers laid off from Fingerhut Companies, Incorporated.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3288.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 3288

A bill for an act relating to public employment labor relations; extending the expiration of an interest arbitration provision governing firefighters; amending Minnesota Statutes 2000, section 179A.16, subdivision 7a.

March 27, 2002

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 3288, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: STEVE KELLEY, ANN H. REST AND MICHELLE L. FISCHBACH.

House Conferees: JIM RHODES, TOM HACKBARTH AND GENE PELOWSKI, JR.

Rhodes moved that the report of the Conference Committee on S. F. No. 3288 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3288, A bill for an act relating to public employment labor relations; extending the expiration of an interest arbitration provision governing firefighters; amending Minnesota Statutes 2000, section 179A.16, subdivision 7a.

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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 3200, A bill for an act relating to health occupations; establishing guest licenses for dentists and dental hygienists; establishing guest registration for dental assistants; appropriating money; amending Minnesota Statutes 2000, section 150A.06, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Goodno moved that the House refuse to concur in the Senate amendments to H. F. No. 3200, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

CALENDAR FOR THE DAY

The Speaker called Abrams to the Chair.

S. F. No. 3172 was reported to the House.

Ozment; Holberg; Bishop; Fuller; Tuma; Walz; Skoglund; Clark, J.; Paymar; Johnson, S.; Murphy; Stanek and Hilstrom moved to amend S. F. No. 3172 as follows:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 2001 Supplement, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) A person required to register under this section shall register with the corrections agent as soon as the agent is assigned to the person. If the person does not have an assigned corrections agent or is unable to locate the assigned corrections agent, the person shall register with the law enforcement agency that has jurisdiction in the area of the person's residence.

(b) At least ~~five~~ 21 days before the person starts living at a new primary address, including living in another state, the person shall give written notice of the new primary living address to the assigned corrections agent or to the law enforcement authority with which the person currently is registered. If the person will be living in a new state and that state has a registration requirement, the person shall also give written notice of the new address to the designated registration agency in the new state. The corrections agent or law enforcement authority shall, within two business days after receipt of this information, forward it to the bureau of criminal apprehension. The bureau of criminal apprehension shall, if it has not already been done, notify the law enforcement authority having primary jurisdiction in the community where the person will live of the new address. If the person is leaving the state, the bureau of criminal apprehension shall notify the registration authority in the new state of the new address. If the person's obligation to register arose under subdivision 1, paragraph (b), the person's registration requirements under this section terminate when the person begins living in the new state.

(c) If a person required to register under this section is unable to give twenty-one days notice due to being evicted or due to other circumstances beyond the person's control, the notice required under paragraph (b) must be given immediately upon eviction or the occurrence necessitating the change of address. In that case, the offender's corrections agent must notify the local law enforcement agency of the offender's new residence as soon as possible. Additionally, if the offender is a level III offender, as determined under section 244.052, the offender's corrections agent must notify the owner or property manager of the new residence about the offender's status as soon as possible.

(d) A person required to register under subdivision 1, paragraph (b), because the person is working or attending school in Minnesota shall register with the law enforcement agency that has jurisdiction in the area where the person works or attends school. In addition to other information required by this section, the person shall provide the address of the school or of the location where the person is employed. A person must comply with this paragraph within five days of beginning employment or school. A person's obligation to register under this paragraph terminates when the person is no longer working or attending school in Minnesota.

~~(d)~~ (e) A person required to register under this section who works or attends school outside of Minnesota shall register as a predatory offender in the state where the person works or attends school. The person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority that has jurisdiction in the area of the person's residence shall notify the person of this requirement.

Sec. 2. Minnesota Statutes 2000, section 244.052, subdivision 4a, is amended to read:

Subd. 4a. [LEVEL III OFFENDERS; LOCATION OF RESIDENCE.] (a) When an offender assigned to risk level III is released from confinement or a residential facility to reside in the community or changes residence while on supervised or conditional release, the agency responsible for the offender's supervision shall take into consideration the proximity of the offender's residence to that of other level III offenders and, to the greatest extent feasible, shall mitigate the concentration of level III offenders.

(b) When a level III offender is on supervised or conditional release, the release order must provide that the offender may not reside in any apartment building, facility, or place of public accommodation that is used to house or shelter victims of domestic abuse on a full-time or part-time basis.

(c) If the owner or property manager of a hotel, motel, lodging establishment, or apartment building has an agreement with an agency that arranges or provides shelter for victims of domestic abuse, the owner or property manager may not rent rooms to both level III offenders and victims of domestic abuse at the same time.

Sec. 3. Minnesota Statutes 2000, section 244.052, is amended by adding a subdivision to read:

Subd. 5a. [HOME DETENTION PERIOD UPON CHANGING PRIMARY RESIDENCE.] A conditional release order authorized under section 609.108, subdivision 6, or section 609.109, subdivision 7, relating to a level III offender must provide that if the offender changes primary residence, the offender is restricted to home detention until the initial community notification required by subdivision 4 is completed. The only exceptions from home detention that may be permitted during that period are for work, medical, or other necessary activities that are specifically authorized by the offender's corrections agent."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

Mullery and Anderson, B., moved to amend the Ozment et al amendment to S. F. No. 3172 as follows:

Page 3, after line 25, insert:

"(d) When a level III offender is on supervised or conditional release, the release order must provide that the offender may not reside in a location within 1,500 feet of a school or park unless the location is a house that was owned by the offender prior to conviction or is a house owned by and resided in by the offender's parents, children, or siblings."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 121 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler	Daggett	Gerlach	Jaros	Larson	Murphy
Abrams	Davids	Gleason	Jennings	Leighton	Ness
Anderson, B.	Davnie	Goodno	Johnson, J.	Lenczewski	Nornes
Anderson, I.	Dehler	Gray	Johnson, R.	Lieder	Opatz
Bakk	Dibble	Greiling	Johnson, S.	Lindner	Osskopp
Bernardy	Dorman	Gunther	Jordan	Lipman	Osthoff
Biernat	Dorn	Haas	Juhnke	Mahoney	Otreмба
Blaine	Eastlund	Hackbarth	Kahn	Mares	Ozment
Boudreau	Entenza	Harder	Kalis	Mariani	Paulsen
Bradley	Erhardt	Hilstrom	Kelliher	Marko	Pawlentz
Buesgens	Erickson	Hilty	Kielkucki	Marquart	Pelowski
Carlson	Evans	Holsten	Knoblach	McGuire	Penas
Cassell	Finseth	Howes	Koskinen	Milbert	Peterson
Clark, J.	Folliard	Huntley	Kubly	Molnau	Pugh
Clark, K.	Fuller	Jacobson	Kuisle	Mullery	Rhodes

Rifenberg	Sertich	Stanek	Tingelstad	Westerberg	Spk. Sviggum
Rukavina	Skoe	Stang	Tuma	Westrom	
Ruth	Skoglund	Swapinski	Vandever	Wilkin	
Schumacher	Slawik	Swenson	Wagenius	Winter	
Seagren	Smith	Sykora	Walz	Wolf	
Seifert	Solberg	Thompson	Wasiluk	Workman	

Those who voted in the negative were:

Bishop	Dawkins	Krinkie	McElroy	Mulder
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The motion prevailed and the amendment to the amendment was adopted.

The Speaker resumed the Chair.

Wasiluk was excused between the hours of 11:20 a.m. and 12:25 p.m.

Mullery; Skoglund; Clark, K., and Mariani moved to amend the Ozment et al amendment, as amended, to S. F. No. 3172 as follows:

Page 3, after line 25, insert:

"(d) When a level III offender is on supervised or conditional release, the release order must provide that the offender may not reside in a location within 1,500 feet of a location where another level III sex offender resides unless:

- (1) the location is a house that was owned by the offender prior to conviction;
- (2) the house is owned by and resided in by the offender's parents, children, or siblings; or
- (3) the building is a treatment facility licensed by the department of corrections."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Juhnke	Lieder	Mulder	Pawlenty	Sertich	Tuma
Kahn	Lindner	Mullery	Pelowski	Skoe	Vandever
Kalis	Lipman	Murphy	Penas	Skoglund	Wagenius
Kelliher	Mahoney	Ness	Peterson	Slawik	Walz
Kielkucki	Mares	Nornes	Pugh	Smith	Westerberg
Knoblach	Mariani	Olson	Rhodes	Solberg	Westrom
Koskinen	Marko	Opatz	Rifenberg	Stanek	Wilkin
Kubly	Marquart	Osskopp	Rukavina	Stang	Winter
Kuisle	McElroy	Osthoff	Ruth	Swapinski	Wolf
Larson	McGuire	Otremba	Schumacher	Sykora	Workman
Leighton	Milbert	Ozment	Seagren	Thompson	Spk. Sviggum
Lenczewski	Molnau	Paulsen	Seifert	Tingelstad	

Those who voted in the negative were:

Bishop	Dawkins	Krinkie	Swenson
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The motion prevailed and the amendment to the amendment, as amended, was adopted.

The question recurred on the Ozment et al amendment, as amended, to S. F. No. 3172. The motion prevailed and the amendment, as amended, was adopted.

Pugh and Tuma offered an amendment to S. F. No. 3172, as amended.

POINT OF ORDER

Lipman raised a point of order pursuant to rule 3.21 that the Pugh and Tuma amendment was not in order. The Speaker ruled the point of order well taken and the Pugh and Tuma amendment out of order.

Pugh appealed the decision of the Speaker.

A roll call was requested and properly seconded.

LAY ON THE TABLE

Seifert moved to lay the Pugh appeal of the decision of the Speaker on the table.

A roll call was requested and properly seconded.

The question was taken on the Seifert motion and the roll was called. There were 66 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Blaine	Buesgens	Daggett	Dempsey	Erhardt
Anderson, B.	Boudreau	Cassell	Dauids	Dorman	Erickson
Bishop	Bradley	Clark, J.	Dehler	Eastlund	Finseth

Fuller	Howes	Lipman	Olson	Seagren	Vandever
Goodno	Jacobson	Mahoney	Osskopp	Seifert	Walz
Gunther	Johnson, J.	Mares	Ozment	Smith	Westerberg
Haas	Jordan	McElroy	Paulsen	Stanek	Westrom
Hackbarth	Kielkucki	Molnau	Pawlenty	Stang	Wilkin
Harder	Knoblach	Mulder	Penas	Swenson	Wolf
Holberg	Kuisle	Ness	Rifenberg	Sykora	Workman
Holsten	Lindner	Nornes	Ruth	Tingelstad	Spk. Sviggum

Those who voted in the negative were:

Abeler	Entenza	Jaros	Larson	Osthoff	Skoglund
Anderson, I.	Evans	Jennings	Leighton	Otremba	Slawik
Bakk	Folliard	Johnson, R.	Lenczewski	Paymar	Solberg
Bernardy	Gleason	Johnson, S.	Lieder	Pelowski	Swapinski
Biernat	Goodwin	Juhnke	Mariani	Peterson	Thompson
Carlson	Gray	Kahn	Marko	Pugh	Tuma
Clark, K.	Greiling	Kalis	Marquart	Rhodes	Wagenius
Davnie	Hausman	Kelliher	McGuire	Rukavina	Winter
Dawkins	Hilstrom	Koskinen	Milbert	Schumacher	
Dibble	Hilty	Krinkie	Murphy	Sertich	
Dorn	Huntley	Kubly	Opatz	Skoe	

The motion prevailed and the appeal of the decision of the Speaker was laid on the table.

Kalis was excused between the hours of 11:55 a.m. and 1:05 p.m.

Clark, K., and Tuma moved to amend S. F. No. 3172, as amended, as follows:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 2000, section 244.052, subdivision 4a, is amended to read:

Subd. 4a. [LEVEL III OFFENDERS; LOCATION OF RESIDENCE.] When an offender assigned to risk level III is released from confinement or a residential facility to reside in the community or changes residence while on supervised or conditional release, the agency responsible for the offender's supervision shall take into consideration the proximity of the offender's residence to that of other level III offenders and proximity to schools and, to the greatest extent feasible, shall mitigate the concentration of level III offenders and concentration of level III offenders near schools."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Goodwin; Gleason; Skoglund; Johnson, S.; Thompson; Pugh; Evans; Koskinen and Walker moved to amend S. F. No. 3172, as amended, as follows:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 2000, section 244.052, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "confinement" means confinement in a state correctional facility or a state treatment facility;

(2) "immediate household" means any and all individuals who live in the same household as the offender.

(3) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

~~(3)~~ (4) "residential facility" means a facility that is licensed as a residential program, as defined in section 245A.02, subdivision 14, by the commissioner of human services under chapter 245A, or the commissioner of corrections under section 241.021, whose staff are trained in the supervision of sex offenders; and

~~(4)~~ (5) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166. However, the terms do not include persons required to register based solely on a delinquency adjudication.

Sec. 2. Minnesota Statutes 2000, section 244.052, subdivision 4, is amended to read:

Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO PUBLIC.] (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the department of corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b."

Page 5, line 11, before "Sections" insert "Sections 1 and 2 are effective August 1, 2003, and apply to offenders released from confinement or residential facilities on or after that date and to changes of residence by offenders on or after that date." and delete "1 to 5" and insert "3 to 7"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Goodwin et al amendment and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bishop	Dawkins	Sykora
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The motion prevailed and the amendment was adopted.

The Speaker called Abrams to the Chair.

Clark, K., and Mariani moved to amend S. F. No. 3172, as amended, as follows:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 2000, section 244.052, subdivision 4, is amended to read:

Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO PUBLIC.] (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the department of corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A law enforcement agency or official who discloses information under this subdivision must present the information using up to three major languages identified by the city council for the neighborhood where the offender is likely to reside."

Page 5, line 11, delete "5" and insert "6"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Clark, K., and Mariani amendment and the roll was called. There were 87 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holberg	Leighton	Otremba	Slawik
Anderson, I.	Entenza	Howes	Lenczewski	Ozment	Solberg
Bakk	Erhardt	Huntley	Lieder	Paymar	Swapinski
Bernardy	Evans	Jacobson	Mahoney	Pelowski	Swenson
Biernat	Folliard	Jaros	Mariani	Peterson	Thompson
Boudreau	Fuller	Jennings	Marko	Pugh	Tingelstad
Bradley	Gleason	Johnson, R.	Marquart	Rhodes	Tuma
Carlson	Goodno	Johnson, S.	McGuire	Rifenberg	Vandever
Clark, K.	Goodwin	Juhnke	Milbert	Rukavina	Wagenius
Daggett	Gray	Kahn	Mullery	Ruth	Walz
Davnie	Greiling	Kelliher	Murphy	Schumacher	Westrom
Dawkins	Hackbarth	Koskinen	Nornes	Seagren	Winter
Dehler	Hausman	Kubly	Opatz	Sertich	
Dibble	Hilstrom	Kuisle	Osskopp	Skoe	
Dorman	Hilty	Larson	Osthoff	Skoglund	

Those who voted in the negative were:

Abrams	Davids	Haas	Krinkie	Olson	Stang
Anderson, B.	Dempsey	Harder	Lindner	Paulsen	Sykora
Bishop	Eastlund	Holsten	Lipman	Pawlenty	Westerberg
Blaine	Erickson	Johnson, J.	Mares	Penas	Wilkin
Buesgens	Finseth	Jordan	McElroy	Seifert	Wolf
Cassell	Gerlach	Kielkucki	Molnau	Smith	Workman
Clark, J.	Gunther	Knoblach	Ness	Stanek	Spk. Sviggum

The motion prevailed and the amendment was adopted.

Skoglund and Koskinen moved to amend S. F. No. 3172, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 2000, section 609.343, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] (a) Except as otherwise provided in section 609.109, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 25 years or to a payment of a fine of not more than \$35,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the sentencing guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 90 months must be imposed on an offender convicted of violating subdivision 1, clause (c), (d), (e), (f), or (h). Sentencing a person in a manner other than that described in this paragraph is a departure from the sentencing guidelines.

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

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Skoglund and Koskinen amendment and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dawkins

The motion prevailed and the amendment was adopted.

S. F. No. 3172, A bill for an act relating to crimes; requiring a ten-year conditional release period when a person has a previous sex offense conviction regardless of the state in which it occurred; making it a ten-year felony when a person commits certain prohibited acts when the act is committed with sexual or aggressive intent; defining aggravated harassing conduct to include acts of criminal sexual conduct as predicate offenses for a pattern of harassing conduct; prescribing penalties; amending Minnesota Statutes 2000, sections 609.109, subdivision 7; 609.749, subdivisions 1a, 3; Minnesota Statutes 2001 Supplement, section 609.749, subdivisions 4, 5.

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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dawkins

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

S. F. No. 2989 was reported to the House.

Fuller moved that S. F. No. 2989 be returned to the General Register. The motion prevailed.

The Speaker resumed the Chair.

S. F. No. 3238 was reported to the House.

Wagenius moved to amend S. F. No. 3238 as follows:

Page 1, line 12, delete "A neighborhood"

Page 1, line 13, delete everything before the period and insert "A neighborhood organization must hold an annual meeting at which there must be an election of successors to directors whose terms expire at the annual meeting"

Page 1, line 25, delete "practicable" and insert "practical"

Page 2, line 1, delete the comma and insert "and"

Page 2, line 2, delete the comma

Page 2, line 3, delete everything before the period

Page 2, after line 7, insert:

"(d) A neighborhood organization may choose to be governed by this subdivision by so providing in its articles or bylaws."

Page 2, delete lines 8 to 12

Page 2, line 17, before the period, insert ", if it has chosen to be governed by this subdivision by so providing in its articles or bylaws"

Page 3, line 17, after the period, insert "A neighborhood organization may choose to be governed by paragraphs (b), (c), and (d) by so providing in its articles or bylaws."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 3238, A bill for an act relating to nonprofit corporations; neighborhood organizations; providing options regarding the election of directors, voting rights, and meeting notice requirements; amending Minnesota Statutes 2000, sections 317A.435, by adding a subdivision; 317A.437, by adding a subdivision; 317A.439, by adding a subdivision; 317A.441.

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 87 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Bradley	Daggett	Dawkins	Entenza
Anderson, I.	Biernat	Carlson	Davids	Dibble	Erhardt
Bakk	Boudreau	Clark, K.	Davnie	Dorn	Evans

Folliard	Holsten	Koskinen	Milbert	Pugh	Swenson
Fuller	Howes	Kubly	Murphy	Rhodes	Thompson
Gleason	Huntley	Larson	Ness	Rukavina	Tingelstad
Goodwin	Jaros	Leighton	Nornes	Ruth	Tuma
Gray	Jennings	Lenczewski	Opatz	Schumacher	Wagenius
Greiling	Johnson, R.	Lieder	Osthoff	Sertich	Walker
Gunther	Johnson, S.	Mahoney	Otremba	Skoe	Walz
Haas	Juhnke	Mares	Ozment	Skoglund	Wasiluk
Hackbarth	Kahn	Mariani	Paymar	Slawik	Winter
Hausman	Kalis	Marko	Pelowski	Solberg	
Hilstrom	Kelliher	Marquart	Penas	Stanek	
Hilty	Knoblach	McGuire	Peterson	Swapinski	

Those who voted in the negative were:

Anderson, B.	Dorman	Jacobson	McElroy	Rifenberg	Westrom
Bishop	Eastlund	Johnson, J.	Molnau	Seagren	Wilkin
Blaine	Erickson	Jordan	Mulder	Seifert	Wolf
Buesgens	Finseth	Kielkucki	Mullery	Smith	Workman
Cassell	Gerlach	Krinkie	Olson	Stang	Spk. Sviggum
Clark, J.	Goodno	Kuisle	Osskopp	Sykora	
Dehler	Harder	Lindner	Paulsen	Vandev eer	
Dempsey	Holberg	Lipman	Pawlenty	Westerberg	

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

S. F. No. 3114 was reported to the House.

Boudreau moved to amend S. F. No. 3114 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 3393, the second engrossment:

"Section 1. Minnesota Statutes 2000, section 171.186, subdivision 1, is amended to read:

Subdivision 1. [SUSPENSION.] The commissioner shall suspend a person's driver's license or operating privileges without a hearing upon receipt of a court order or notice from a public authority responsible for child support enforcement that states that the driver is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by a court, a child support magistrate, or the public authority responsible for child support enforcement, in accordance with section 518.551, subdivision 13.

Sec. 2. Minnesota Statutes 2000, section 171.186, subdivision 3, is amended to read:

Subd. 3. [DURATION.] A license or operating privilege must remain suspended and may not be reinstated, nor may a license be subsequently issued to the person, until the commissioner receives notice from the court, a child support magistrate, or public authority responsible for child support enforcement that the person is in compliance with all current orders of support or written payment agreements ~~regarding both current support and arrearages pursuant to section 518.553.~~ A fee may not be assessed for reinstatement of a license under this section unless the person whose license was suspended under this section has obtained a limited license during the period of suspension.

Sec. 3. Minnesota Statutes 2000, section 171.186, is amended by adding a subdivision to read:

Subd. 4. [LIMITED LICENSE.] (a) Notwithstanding subdivision 3, the commissioner may issue a limited license to a person whose license has been suspended under this section if the person qualifies for a limited license under section 171.30.

(b) A limited license issued to a person under this subdivision must expire 90 days after the date it is issued.

Sec. 4. Minnesota Statutes 2000, section 171.20, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] Before the license is reinstated, (1) a person whose driver's license has been suspended under section 171.16, subdivision 2; 171.18, except subdivision 1, clause (10); or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) a person whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee must pay a fee of \$20. When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4. A suspension may be rescinded without fee for good cause.

Sec. 5. Minnesota Statutes 2000, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS OF ISSUANCE.] (a) In any case where a person's license has been suspended under section 171.18 ~~or~~ 171.173, or 171.186, or revoked under section 169.792, 169.797, 169A.52, 169A.54, 171.17, or 171.172, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(b) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(c) For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

(d) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(e) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(f) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(g) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

Sec. 6. Minnesota Statutes 2001 Supplement, section 256.979, subdivision 5, is amended to read:

Subd. 5. [PATERNITY ESTABLISHMENT AND CHILD SUPPORT ORDER ESTABLISHMENT AND MODIFICATION BONUS INCENTIVES.] (a) A bonus incentive program is created to increase the number of paternity establishments and establishment and modifications of child support orders done by county child support enforcement agencies.

(b) A bonus must be awarded to a county child support agency for each child for which the agency completes a paternity order or for each case in which child support order establishment or modification is established or modified through judicial or administrative expedited processes.

(c) The rate of bonus incentive is \$100 per child for each paternity established, or \$100 per case for each child support order ~~establishment and modification~~ established or modified, which is set in a specific dollar amount.

(d) No bonus shall be paid for a modification that is a result of a termination of child care costs according to section 518.551, subdivision 5, paragraph (b), or due solely to a reduction of child care expenses.

Sec. 7. Minnesota Statutes 2001 Supplement, section 256.979, subdivision 6, is amended to read:

Subd. 6. [CLAIMS FOR BONUS INCENTIVE.] (a) The commissioner of human services and the county agency shall develop procedures for the claims process and criteria using automated systems where possible.

(b) Only one county agency may receive a bonus per paternity establishment or child support ~~order~~ establishment or modification ~~for each child order~~. The county agency completing the action or procedure needed to establish paternity or a child support order or modify an order is the county agency entitled to claim the bonus incentive.

(c) Disputed claims must be submitted to the commissioner of human services and the commissioner's decision is final.

Sec. 8. Minnesota Statutes 2001 Supplement, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] ~~Compliance with this section constitutes compliance with~~ A completed national medical support notice issued by the public authority or a court order that complies with this section is a qualified medical child support order as described in the federal Employee Retirement Income Security Act of 1974 (ERISA) as amended by the federal Omnibus Budget Reconciliation Act of 1993 (OBRA).

(a) Every child support order must:

(1) expressly assign or reserve the responsibility for maintaining medical insurance for the minor children and the division of uninsured medical and dental costs; and

(2) contain the names, last known addresses, and social security numbers of the parents of the dependents unless the court prohibits the inclusion of an address or social security number and orders the parents to provide their addresses and social security numbers to the administrator of the health plan. The court shall order the parent with the better group dependent health and dental insurance coverage or health insurance plan to name the minor child as beneficiary on any health and dental insurance plan that is available to the parent on:

(i) a group basis;

(ii) through an employer or union; or

(iii) through a group health plan governed under the ERISA and included within the definitions relating to health plans found in section 62A.011, 62A.048, or 62E.06, subdivision 2.

"Health insurance" or "health insurance coverage" as used in this section means coverage that is comparable to or better than a number two qualified plan as defined in section 62E.06, subdivision 2. "Health insurance" or "health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, 256J, 256K, or 256D.

(b) If the court finds that dependent health or dental insurance is not available to the obligor or obligee on a group basis or through an employer or union, or that group insurance is not accessible to the obligee, the court may require the obligor (1) to obtain other dependent health or dental insurance, (2) to be liable for reasonable and necessary medical or dental expenses of the child, or (3) to pay no less than \$50 per month to be applied to the medical and dental expenses of the children or to the cost of health insurance dependent coverage.

(c) If the court finds that the available dependent health or dental insurance does not pay all the reasonable and necessary medical or dental expenses of the child, including any existing or anticipated extraordinary medical expenses, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan. Medical and dental expenses include, but are not limited to, necessary orthodontia and eye care, including prescription lenses.

(d) Unless otherwise agreed by the parties and approved by the court, if the court finds that the obligee is not receiving public assistance for the child and has the financial ability to contribute to the cost of medical and dental expenses for the child, including the cost of insurance, the court shall order the obligee and obligor to each assume a portion of these expenses based on their proportionate share of their total net income as defined in section ~~518.54~~ 518.551, subdivision ~~6~~ 5.

(e) Payments ordered under this section are subject to section 518.6111. An obligee who fails to apply payments received to the medical expenses of the dependents may be found in contempt of this order.

Sec. 9. Minnesota Statutes 2000, section 518.171, subdivision 3, is amended to read:

Subd. 3. ~~IMPLEMENTATION NOTICE TO EMPLOYER OR UNION.~~ (a) For purposes of this chapter, "national medical support notice" means an administrative notice issued by the public authority to enforce health insurance provisions of a support order in IV-D cases under the Code of Federal Regulations.

(b) A copy of the national medical support notice or court order for insurance coverage shall be forwarded to the obligor's employer or union ~~and~~ or to the health or dental insurance carrier ~~or employer~~ if necessary by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of the effective date of the court order, that the obligor has applied for insurance ~~has been obtained for the child~~;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support ~~on the~~. The obligee or the public authority must mail the written notice to the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the obligor has applied for insurance coverage ~~existed as of the date of mailing for the child~~.

~~The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.~~

(c) If an obligor is ordered to carry health insurance coverage for the child and has not enrolled the child in health insurance coverage, the public authority must forward a copy of the national medical support notice to the obligor's employer or union within two business days after the date the obligor is entered into the work reporting system under section 256.998.

Sec. 10. Minnesota Statutes 2001 Supplement, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) The national medical support notice or court order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. In the case of an obligor who changes employment and is required to provide health coverage for the child, a new employer that provides health care coverage shall enroll the child in the obligor's health plan upon receipt of an order or notice for health insurance, unless the obligor contests the enrollment.

(b) The obligor may contest the enrollment on the limited grounds that the enrollment is improper due to mistake of fact or that the enrollment meets the requirements of section 518.64, subdivision 2. If the obligor chooses to contest the enrollment, the obligor must do so no later than 15 days after the employer notifies the obligor of the enrollment, by doing all of the following:

(1) filing a request for contested hearing motion in district court or according to section 484.702 and the rules of the expedited child support process if the public authority provides support enforcement services;

(2) serving mailing a copy of the request for contested hearing upon motion to the public authority if the public authority provides support enforcement services and the obligee; and

(3) securing a date for the contested hearing no later than 45 days after the notice of enrollment.

~~(b) The enrollment must remain in place during the time period in which the obligor contests the withholding enrollment.~~

(c) An employer or union that is included under ERISA may not deny enrollment based on exclusionary clauses described in section 62A.048. Upon application of the obligor according to the order or notice, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the least costly health insurance plan otherwise available to the obligor that is comparable to a number two qualified plan. If the obligor is not enrolled in a health insurance plan, the employer or union shall also enroll the obligor in the chosen plan if enrollment of the obligor is necessary in order to obtain dependent coverage under the plan. Enrollment of dependents and, if necessary, the obligor shall be immediate and not dependent upon open enrollment periods. Enrollment is not subject to the underwriting policies described in section 62A.048.

~~(d)~~ (d) An employer or union that willfully fails to comply with the order is liable for any health or dental expenses incurred by the dependents during the period of time the dependents were eligible to be enrolled in the insurance program, and for any other premium costs incurred because the employer or union willfully failed to comply with

the order. An employer or union that fails to comply with the order is subject to contempt under section 518.615 and is also subject to a fine of \$500 to be paid to the obligee or public authority. Fines paid to the public authority are designated for child support enforcement services.

(d) (e) Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan. Information and authorization provided by the public authority responsible for child support enforcement, or by the obligee or guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

(f) The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 11. Minnesota Statutes 2000, section 518.171, is amended by adding a subdivision to read:

Subd. 4a. [EMPLOYER, UNION AND HEALTH PLAN ADMINISTRATOR REQUIREMENTS.] (a) An employer or union must forward the national medical support notice or court order to its health plan within 20 business days after the date on the national medical support notice or after receipt of the court order.

(b) If a health plan administrator receives a completed national medical support notice or court order, the plan administrator must notify the parties and the public authority if the public authority provides support enforcement services within 40 business days after the date of the notice or after receipt of the court order, of the following:

(1) whether coverage is available to the child under the terms of the health plan;

(2) whether the child is covered under the health plan;

(3) the effective date of the child's coverage under the health plan; and

(4) what steps, if any, are required to effectuate the child's coverage under the health plan. The plan administrator must also provide the parties and the public authority if the public authority provides support enforcement services with a notice of enrollment of the child, description of the coverage, and any documents necessary to effectuate coverage.

(c) Upon determination by the health plan administrator that the child may be covered under the health plan, the employer or union and health plan must enroll the child as a beneficiary in the health plan and withhold any required premiums from the income or wages of the obligor.

(d) If more than one plan is offered by the employer or union and the national medical support notice or court order does not specify the plan to be carried, the plan administrator must notify the parents and the public authority if the public authority provides support enforcement services.

(e) If enrollment of the obligor is necessary to obtain dependent health care coverage under the plan and the obligor is not enrolled in the health plan, the employer or union must also enroll the obligor in the plan.

Sec. 12. Minnesota Statutes 2001 Supplement, section 518.171, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE CHILD DISENROLLMENT; COVERAGE OPTIONS.] (a) Unless a court order provides otherwise, a minor child that an obligor is required to cover as a beneficiary pursuant to this section is eligible for insurance coverage as a dependent of the obligor until the child is emancipated or, until further order of the court, or as consistent with the terms of coverage. The health or dental insurance carrier or employer may not disenroll or eliminate coverage of the child unless the health or dental insurance carrier or employer is provided satisfactory written evidence that the court order is no longer in effect, or the child is or will be enrolled in comparable health coverage through another health or dental insurance plan that will take effect no later than the effective date of the

disenrollment, or the employer has eliminated family health and dental coverage for all of its employees employee is no longer eligible for dependent coverage, or that the required premium has not been paid by or on behalf of the child. ~~If disenrollment or elimination of coverage of a child under this subdivision is based upon nonpayment of premium;~~ The health or dental insurance plan must provide 30 days' written notice to the ~~obligee~~ child's parents and the public authority if the public authority provides support enforcement services prior to the disenrollment or elimination of coverage for the child.

(b) If the public authority provides support enforcement services and a plan administrator reports to the public authority that there is more than one coverage option available under the health plan, the public authority, in consultation with the parent with whom the child resides, must promptly select coverage from the available options.

Sec. 13. Minnesota Statutes 2000, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] (a) Upon motion of an obligee, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state, county, or municipal agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority, the court shall direct the licensing board or other licensing agency to suspend the license under section 214.101. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553~~. The payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553~~ after the 90 days expires, the court's order becomes effective. If the obligor is a licensed attorney, the court shall report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public authority responsible for child support enforcement finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state, county, or municipal agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority, the court or the public authority shall direct the licensing board or other licensing agency to suspend the license under section 214.101. If the obligor is a licensed attorney, the public authority may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the public authority.

(c) At least 90 days before notifying a licensing authority or the lawyers professional responsibility board under paragraph (b), the public authority shall mail a written notice to the license holder addressed to the license holder's last known address that the public authority intends to seek license suspension under this subdivision and that the license holder must request a hearing within 30 days in order to contest the suspension. If the license holder makes a written request for a hearing within 30 days of the date of the notice, a court hearing or a hearing under section 484.702 must be held. Notwithstanding any law to the contrary, the license holder must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the license holder. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the public authority within 90 days of the date of the notice, the public authority shall direct the licensing board or other licensing agency to suspend the obligor's license under paragraph (b), or shall report the matter to the lawyers professional responsibility board.

(d) The public authority or the court shall notify the lawyers professional responsibility board for appropriate action in accordance with the rules of professional responsibility conduct or order the licensing board or licensing agency to suspend the license if the judge finds that:

- (1) the person is licensed by a licensing board or other state agency that issues an occupational license;
- (2) the person has not made full payment of arrearages found to be due by the public authority; and
- (3) the person has not executed or is not in compliance with a payment plan approved by the court, a child support magistrate, or the public authority.

(e) Within 15 days of the date on which the obligor either makes full payment of arrearages found to be due by the court or public authority or executes and initiates good faith compliance with a written payment plan approved by the court, a child support magistrate, or the public authority, the court, a child support magistrate, or the public authority responsible for child support enforcement shall notify the licensing board or licensing agency or the lawyers professional responsibility board that the obligor is no longer ineligible for license issuance, reinstatement, or renewal under this subdivision.

(f) In addition to the criteria established under this section for the suspension of an obligor's occupational license, a court, a child support magistrate, or the public authority may direct the licensing board or other licensing agency to suspend the license of a party who has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding. Notice to an obligor of intent to suspend must be served by first class mail at the obligor's last known address. The notice must inform the obligor of the right to request a hearing. If the obligor makes a written request within ten days of the date of the hearing, a hearing must be held. At the hearing, the only issues to be considered are mistake of fact and whether the obligor received the subpoena.

(g) The license of an obligor who fails to remain in compliance with an approved payment agreement may be suspended. Notice to the obligor of an intent to suspend under this paragraph must be served by first class mail at the obligor's last known address and must include a notice of hearing. The notice must be served upon the obligor not less than ten days before the date of the hearing. If the obligor appears at the hearing and the judge determines that the obligor has failed to comply with an approved payment agreement, the judge shall notify the occupational licensing board or agency to suspend the obligor's license under paragraph (c). If the obligor fails to appear at the hearing, the public authority may notify the occupational or licensing board to suspend the obligor's license under paragraph (c).

Sec. 14. Minnesota Statutes 2000, section 518.551, subdivision 13, is amended to read:

Subd. 13. [DRIVER'S LICENSE SUSPENSION.] (a) Upon motion of an obligee, which has been properly served on the obligor and upon which there has been an opportunity for hearing, if a court finds that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement ~~regarding both current support and arrearages~~ pursuant to section 518.553 that is approved by the court, a child support magistrate, or the public authority, the court shall order the commissioner of public safety to suspend the obligor's driver's license. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement ~~regarding both current support and arrearages, which~~ pursuant to section 518.553. The payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement ~~regarding both current support and arrearages~~ pursuant to section 518.553 after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the court. An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph.

(b) If a public authority responsible for child support enforcement determines that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the public authority.

(c) At least 90 days prior to notifying the commissioner of public safety according to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to seek suspension of the obligor's driver's license and that the obligor must request a hearing within 30 days in order to contest the suspension. If the obligor makes a written request for a hearing within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the district court or child support magistrate shall order the commissioner of public safety to suspend the obligor's driver's license or operating privileges unless the court or child support magistrate determines that the obligor has executed and is in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority.

(e) An obligor whose driver's license or operating privileges are suspended may:

(1) provide proof to the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements ~~regarding both current support and arrearages;~~ pursuant to section 518.553;

(2) bring a motion for reinstatement of the driver's license. At the hearing, if the court or child support magistrate orders reinstatement of the driver's license, the court or child support magistrate must establish a written payment agreement pursuant to section 518.553; or

(3) seek a limited license under section 171.30. A limited license issued to an obligor under section 171.30 expires 90 days after the date it is issued.

Within 15 days of the receipt of that proof or a court order, the public authority shall inform the commissioner of public safety that the obligor's driver's license or operating privileges should no longer be suspended.

(f) On January 15, 1997, and every two years after that, the commissioner of human services shall submit a report to the legislature that identifies the following information relevant to the implementation of this section:

(1) the number of child support obligors notified of an intent to suspend a driver's license;

(2) the amount collected in payments from the child support obligors notified of an intent to suspend a driver's license;

(3) the number of cases paid in full and payment agreements executed in response to notification of an intent to suspend a driver's license;

- (4) the number of cases in which there has been notification and no payments or payment agreements;
- (5) the number of driver's licenses suspended; ~~and~~
- (6) the cost of implementation and operation of the requirements of this section; and

(7) the number of limited licenses issued and number of cases in which payment agreements are executed and cases are paid in full following issuance of a limited license.

(g) In addition to the criteria established under this section for the suspension of an obligor's driver's license, a court, a child support magistrate, or the public authority may direct the commissioner of public safety to suspend the license of a party who has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding. Notice to an obligor of intent to suspend must be served by first class mail at the obligor's last known address. The notice must inform the obligor of the right to request a hearing. If the obligor makes a written request within ten days of the date of the hearing, a hearing must be held. At the hearing, the only issues to be considered are mistake of fact and whether the obligor received the subpoena.

(h) The license of an obligor who fails to remain in compliance with an approved payment agreement may be suspended. Notice to the obligor of an intent to suspend under this paragraph must be served by first class mail at the obligor's last known address and must include a notice of hearing. The notice must be served upon the obligor not less than ten days before the date of the hearing. If the obligor appears at the hearing and the judge determines that the obligor has failed to comply with an approved payment agreement, the judge shall notify the department of public safety to suspend the obligor's license under paragraph (c). If the obligor fails to appear at the hearing, the public authority may notify the department of public safety to suspend the obligor's license under paragraph (c).

Sec. 15. Minnesota Statutes 2000, section 518.551, subdivision 14, is amended to read:

Subd. 14. [MOTOR VEHICLE LIEN.] (a) Upon motion of an obligee, if a court finds that the obligor is a debtor for a judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the court shall order the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, in accordance with section 168A.05, subdivision 8, unless the court finds that the obligor is in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553, which agreement shall be approved by~~ either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority within the 90-day period, the court's order becomes effective and the commissioner of public safety shall record the lien on any motor vehicle certificate of title subsequently issued in the name of the obligor. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public authority responsible for child support enforcement determines that the obligor is a debtor for judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the public authority shall direct the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, under section 168A.05, subdivision 8, on any motor vehicle certificate of title subsequently issued in the name of the obligor unless the public authority determines that the obligor is in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ approved by the court, a child support magistrate, or the public authority. The remedy under this subdivision is in addition to any other enforcement remedy available to the public agency.

(c) At least 90 days prior to notifying the commissioner of public safety pursuant to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to record a lien on any motor vehicle certificate of title subsequently issued in the name of the obligor and that the obligor must request a hearing within 30 days in order to contest the action. If the obligor makes a written request for a hearing within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice and the obligor does not execute or is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that~~ is approved by the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to record the lien under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the district court or child support magistrate shall order the commissioner of public safety to record the lien unless the court or child support magistrate determines that the obligor has executed and is in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553 that is~~ determined to be acceptable by the court, a child support magistrate, or the public authority.

(e) An obligor may provide proof to the court or the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements ~~regarding both current support and arrearages pursuant to section 518.553~~ or that the value of the motor vehicle is less than the exemption provided under section 550.37. Within 15 days of the receipt of that proof, the court or public authority shall either execute a release of security interest under section 168A.20, subdivision 4, and mail or deliver the release to the owner or other authorized person or shall direct the commissioner of public safety not to enter a lien on any motor vehicle certificate of title subsequently issued in the name of the obligor in instances where a lien has not yet been entered.

(f) Any lien recorded against a motor vehicle certificate of title under this section and section 168A.05, subdivision 8, attaches only to the nonexempt value of the motor vehicle as determined in accordance with section 550.37. The value of a motor vehicle must be determined in accordance with the retail value described in the N.A.D.A. Official Used Car Guide, Midwest Edition, for the current year, or in accordance with the purchase price as defined in section 297B.01, subdivision 8.

Sec. 16. Minnesota Statutes 2000, section 518.551, subdivision 15, is amended to read:

Subd. 15. [LICENSE SUSPENSION.] (a) Upon motion of an obligee or the public authority, which has been properly served on the obligor by first class mail at the last known address or in person, and if at a hearing, the court finds that (1) the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than six times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement ~~regarding both current support and arrearages pursuant to section 518.553~~, or (2) has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding, the court may direct the commissioner of natural resources to suspend or bar receipt of the obligor's recreational license or licenses. Prior to utilizing this subdivision, the court must find that other substantial enforcement mechanisms have been attempted but have not resulted in compliance.

(b) For purposes of this subdivision, a recreational license includes all licenses, permits, and stamps issued centrally by the commissioner of natural resources under sections 97B.301, 97B.401, 97B.501, 97B.515, 97B.601, 97B.715, 97B.721, 97B.801, 97C.301, and 97C.305.

(c) An obligor whose recreational license or licenses have been suspended or barred may provide proof to the court that the obligor is in compliance with all written payment agreements ~~regarding both current support and arrearages pursuant to section 518.553~~. Within 15 days of receipt of that proof, the court shall notify the commissioner of natural resources that the obligor's recreational license or licenses should no longer be suspended nor should receipt be barred.

Sec. 17. Minnesota Statutes 2000, section 518.553, is amended to read:

518.553 [PAYMENT AGREEMENTS.]

In proposing or approving proposed written payment agreements for purposes of section 518.551, the court, a child support magistrate, or the public authority shall take into consideration the amount of the arrearages, the amount of the current support order, any pending request for modification, and the earnings of the obligor. The court, child support magistrate, or public authority shall consider the individual financial circumstances of each obligor in evaluating the obligor's ability to pay any proposed payment agreement and shall propose a reasonable payment agreement tailored to the individual financial circumstances of each obligor. The court, child support magistrate, or public authority also shall consider a graduated payment plan tailored to the individual financial circumstances of each obligor.

Sec. 18. Minnesota Statutes 2000, section 518.6111, subdivision 8, is amended to read:

Subd. 8. [CONTEST.] (a) The obligor may contest withholding under subdivision 7 on the limited grounds that the withholding or the amount withheld is improper due to mistake of fact. If the obligor chooses to contest the withholding, the obligor must do so no later than 15 days after the employer commences withholding, ~~by doing all of the following:~~

~~(1) file a request for an expedited child support hearing under section 484.702, and include in the request the alleged mistake of fact;~~

~~(2) serve a copy of the request for contested hearing upon the public authority and the obligee; and~~

~~(3) secure a date for the contested hearing no later than 45 days after receiving notice that withholding has commenced upon proper motion pursuant to section 484.702 and the rules of the expedited child support process.~~

(b) The income withholding must remain in place while the obligor contests the withholding.

(c) If the court finds a mistake in the amount of the arrearage to be withheld, the court shall continue the income withholding, but it shall correct the amount of the arrearage to be withheld.

Sec. 19. Minnesota Statutes 2000, section 518.614, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF PUBLIC AUTHORITY.] Within three working days of receipt of sums released under subdivision 2, the public authority shall remit to the obligee all amounts not assigned under section 256.741 as current support or maintenance. The public authority shall also serve a copy of the court's order and the provisions of section 518.6111 and this section on the obligor's employer or other payor of funds unless within 15 days after mailing of the notice of intent to implement income withholding the obligor ~~requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee~~ makes a proper motion pursuant to section 484.702 and the rules of the expedited child support process. The public authority shall instruct the employer or payor of funds pursuant to section 518.6111 as to the effective date on which the next support or maintenance payment is due. The withholding process must begin on said date and shall reflect the total credits of principal and interest amounts received from the escrow account.

Sec. 20. Minnesota Statutes 2000, section 518.614, subdivision 4, is amended to read:

Subd. 4. [HEARING.] Within 30 days of the date of the notice of default under subdivision 2, clause (2), the court must hold a hearing ~~requested if a motion is brought~~ by the obligor as set forth in subdivision 2. If the court finds that there was a default, the court shall order the immediate withholding of support or maintenance from the obligor's income. If the court finds that there was no default, the court shall order the reestablishment of the escrow account by either the obligee or obligor and continue the stay of income withholding.

Sec. 21. Minnesota Statutes 2000, section 518.617, subdivision 2, is amended to read:

Subd. 2. [COURT OPTIONS.] (a) If a court cites a person for contempt under this section, and the obligor lives in a county that contracts with the commissioner of human services under section 256.997, the court may order the performance of community service work up to 32 hours per week for six weeks for each finding of contempt if the obligor:

(1) is able to work full time;

(2) works an average of less than 32 hours per week; and

(3) has actual weekly gross income averaging less than 40 times the federal minimum hourly wage under United States Code, title 29, section 206(a)(1), or is voluntarily earning less than the obligor has the ability to earn, as determined by the court.

An obligor is presumed to be able to work full time. The obligor has the burden of proving inability to work full time.

(b) A person ordered to do community service work under paragraph (a) may, during the six-week period, apply to the court, ~~an administrative law judge~~ a child support magistrate, or the public authority to be released from the community service work requirement if the person:

(1) provides proof to the court, ~~an administrative law judge~~ a child support magistrate, or the public authority that the person is gainfully employed and submits to an order for income withholding under section 518.6111;

(2) enters into a written payment plan regarding both current support and arrearages approved by the court, ~~an administrative law judge~~ a child support magistrate, or the public authority; or

(3) provides proof to the court, ~~an administrative law judge~~ a child support magistrate, or the public authority that, subsequent to entry of the order, the person's circumstances have so changed that the person is no longer able to fulfill the terms of the community service order.

Sec. 22. Minnesota Statutes 2001 Supplement, section 518.6196, is amended to read:

518.6196 [COLLECTION; REVENUE RECAPTURE.]

The public authority may submit debt under chapter 270A only if the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount greater than the obligor's total monthly support and maintenance payments or if the debt has been entered and docketed as a judgment ~~under section 548.091, subdivision 2a.~~

Sec. 23. Minnesota Statutes 2000, section 548.091, subdivision 1, is amended to read:

Subdivision 1. [ENTRY AND DOCKETING OF MAINTENANCE JUDGMENT.] (a) A judgment for unpaid amounts under a judgment or decree of dissolution or legal separation that provides for installment or periodic payments of maintenance shall be entered by the court administrator when ordered by the court or shall be entered and docketed by the court administrator when the following conditions are met:

(1) the obligee determines that the obligor is at least 30 days in arrears;

(2) the obligee serves a copy of an affidavit of default and notice of intent to enter and docket judgment on the obligor by first class mail at the obligor's last known post office address. Service shall be deemed complete upon mailing in the manner designated. The affidavit shall state the full name, occupation, place of residence, and last known post office address of the obligor, the name ~~and post office address~~ of the obligee, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid;

(3) the obligor fails within 20 days after mailing of the notice either to pay all unpaid amounts or to request a hearing on the issue of whether arrears claimed owing have been paid and to seek, ex parte, a stay of entry of judgment; and

(4) not less than 20 days after service on the obligor in the manner provided, the obligee files with the court administrator the affidavit of default together with proof of service and, if payments have been received by the obligee since execution of the affidavit of default, a supplemental affidavit setting forth the amount of payment received and the amount for which judgment is to be entered and docketed.

(b) A judgment entered and docketed under this subdivision has the same effect and is subject to the same procedures, defenses, and proceedings as any other judgment in district court, and may be enforced or satisfied in the same manner as judgments under section 548.09.

(c) An obligor whose property is subject to the lien of a judgment for installment of periodic payments of maintenance under section 548.09, and who claims that no amount of maintenance is in arrears, may move the court ex parte for an order directing the court administrator to vacate the lien of the judgment on the docket and register of the action where it was entered. The obligor shall file with the motion an affidavit stating:

- (1) the lien attached upon the docketing of a judgment or decree of dissolution or separate maintenance;
- (2) the docket was made while no installment or periodic payment of maintenance was unpaid or overdue; and
- (3) no installment or periodic payment of maintenance that was due prior to the filing of the motion remains unpaid or overdue.

The court shall grant the obligor's motion as soon as possible if the pleadings and affidavit show that there is and has been no default.

Sec. 24. Minnesota Statutes 2001 Supplement, section 548.091, subdivision 1a, is amended to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] (a) Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260B.331 or 260C.331, that is not paid or withheld from the obligor's income as required under section 518.6111, or which is ordered as child support by judgment, decree, or order by a court in any other state, is a judgment by operation of law on and after the date it is due, is entitled to full faith and credit in this state and any other state, and shall be entered and docketed by the court administrator on the filing of affidavits as provided in subdivision 2a. Except as otherwise provided by paragraph (b), interest accrues from the date the unpaid amount due is greater than the current support due at the annual rate provided in section 549.09, subdivision 1, plus two percent, not to exceed an annual rate of 18 percent. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

(b) Notwithstanding the provisions of section 549.09, upon motion to the court and upon proof by the obligor of 36 consecutive months of complete and timely payments of both current support and court-ordered paybacks of a child support debt or arrearage, the court may order interest on the remaining debt or arrearage to stop accruing. Timely payments are those made in the month in which they are due. If, after that time, the obligor fails to make complete and timely payments of both current support and court-ordered paybacks of child support debt or arrearage, the public authority or the obligee may move the court for the reinstatement of interest as of the month in which the obligor ceased making complete and timely payments.

The court shall provide copies of all orders issued under this section to the public authority. The ~~commissioner of human services~~ state court administrator shall prepare and make available to the court and the parties forms to be submitted by the parties in support of a motion under this paragraph.

(c) Notwithstanding the provisions of section 549.09, upon motion to the court, the court may order interest on a child support debt to stop accruing where the court finds that the obligor is:

- (1) unable to pay support because of a significant physical or mental disability;
- (2) a recipient of Supplemental Security Income (SSI), Title II Older Americans Survivor's Disability Insurance (OASDI), other disability benefits, or public assistance based upon need; or
- (3) institutionalized or incarcerated for at least 30 days for an offense other than nonsupport of the child or children involved, and is otherwise financially unable to pay support.

Sec. 25. Minnesota Statutes 2000, section 548.091, subdivision 2a, is amended to read:

Subd. 2a. [ENTRY AND DOCKETING OF CHILD SUPPORT JUDGMENT.] (a) On or after the date an unpaid amount becomes a judgment by operation of law under subdivision 1a, the obligee or the public authority may file with the court administrator:

(1) a statement identifying, or a copy of, the judgment or decree of dissolution or legal separation, determination of parentage, order under chapter 518B or 518C, an order under section 256.87, an order under section 260B.331 or 260C.331, or judgment, decree, or order for child support by a court in any other state, which provides for periodic installments of child support, or a judgment or notice of attorney fees and collection costs under section 518.14, subdivision 2;

(2) an affidavit of default. The affidavit of default must state the full name, occupation, place of residence, and last known post office address of the obligor, the name ~~and post office address~~ of the obligee, the date or dates payment was due and not received and judgment was obtained by operation of law, the total amount of the judgments to be entered and docketed; and

(3) an affidavit of service of a notice of intent to enter and docket judgment and to recover attorney fees and collection costs on the obligor, in person or by first class mail at the obligor's last known post office address. Service is completed upon mailing in the manner designated. Where applicable, a notice of interstate lien in the form promulgated under United States Code, title 42, section 652(a), is sufficient to satisfy the requirements of clauses (1) and (2).

(b) A judgment entered and docketed under this subdivision has the same effect and is subject to the same procedures, defenses, and proceedings as any other judgment in district court, and may be enforced or satisfied in the same manner as judgments under section 548.09, except as otherwise provided.

Sec. 26. Laws 2001, chapter 202, section 19, is amended to read:

Sec. 19. [NONCUSTODIAL PARENT PROGRAM.]

Notwithstanding Minnesota Statutes, section 13.46, until August 1, ~~2002~~ 2005, the public authority responsible for child support enforcement and an agency administering the noncustodial parent employment and support services program under contract with the department of human services in Hennepin county may exchange data on current and former program participants for purposes of evaluating the program. Any private agency administering the program must agree to be bound by Minnesota Statutes, chapter 13.

Sec. 27. [APPROPRIATION.]

\$95,000 is appropriated from the trunk highway fund to the commissioner of public safety in fiscal year 2003 for costs related to the issuance of limited licenses under Minnesota Statutes, section 171.186, subdivision 4.

Sec. 28. [EFFECTIVE DATE.]

Sections 8 to 12 are effective July 1, 2002."

Delete the title and insert:

"A bill for an act relating to child support; permitting the issuance of a limited license under certain circumstances to a person whose driver's license is suspended for nonpayment of support; clarifying requirements relating to payment agreements; modifying certain bonus incentives; changing child medical support requirements and procedures; changing support enforcement provisions; providing for continued exchange of certain data; appropriating money; amending Minnesota Statutes 2000, sections 171.186, subdivisions 1, 3, by adding a subdivision; 171.20, subdivision 4; 171.30, subdivision 1; 518.171, subdivision 3, by adding a subdivision; 518.551, subdivisions 12, 13, 14, 15; 518.553; 518.6111, subdivision 8; 518.614, subdivisions 3, 4; 518.617, subdivision 2; 548.091, subdivisions 1, 2a; Minnesota Statutes 2001 Supplement, sections 256.979, subdivisions 5, 6; 518.171, subdivisions 1, 4, 5; 518.6196; 548.091, subdivision 1a; Laws 2001, chapter 202, section 19."

The motion prevailed and the amendment was adopted.

Boudreau moved to amend S. F. No. 3114, as amended, as follows:

Page 17, line 8, after the period, insert "The notice must include information that apprises the obligor of the requirement to develop a written payment agreement that is approved by a court, a child support magistrate, or the public authority responsible for child support enforcement regarding child support, maintenance, and any arrearages in order to avoid license suspension."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 3114, A bill for an act relating to child support; permitting the issuance of a limited license under certain circumstances to a person whose driver's license is suspended for nonpayment of support; clarifying requirements relating to payment agreements; appropriating money; amending Minnesota Statutes 2000, sections 171.186, subdivisions 1, 3, by adding a subdivision; 171.20, subdivision 4; 171.30, subdivision 1; 518.551, subdivisions 12, 13, 14, 15; 518.553.

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 124 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeler	Bradley	Dorman	Gleason	Hilstrom	Johnson, R.
Abrams	Buesgens	Dorn	Goodno	Hilty	Johnson, S.
Anderson, B.	Carlson	Eastlund	Goodwin	Holberg	Jordan
Anderson, I.	Cassell	Erhardt	Gray	Holsten	Juhnke
Bakk	Daggett	Erickson	Greiling	Howes	Kahn
Bernardy	Davids	Evans	Gunther	Huntley	Kalis
Biernat	Davnie	Finseth	Haas	Jacobson	Kielkucki
Bishop	Dawkins	Folliard	Hackbarth	Jaros	Knoblach
Blaine	Dehler	Fuller	Harder	Jennings	Koskinen
Boudreau	Dempsey	Gerlach	Hausman	Johnson, J.	Krinkie

Kubly	Marko	Osskopp	Rifenberg	Stanek	Walz
Kuisle	Marquart	Osthoff	Rukavina	Stang	Wasiluk
Larson	McElroy	Otremba	Ruth	Swapinski	Westerberg
Leighton	McGuire	Ozment	Schumacher	Swenson	Westrom
Lenczewski	Milbert	Paulsen	Seagren	Sykora	Wilkin
Lieder	Mulder	Paymar	Seifert	Thompson	Winter
Lindner	Murphy	Pelowski	Sertich	Tingelstad	Wolf
Lipman	Ness	Penas	Skoe	Tuma	Workman
Mahoney	Nornes	Peterson	Slawik	Vandever	Spk. Sviggum
Mares	Olson	Pugh	Smith	Wagenius	
Mariani	Opatz	Rhodes	Solberg	Walker	

Those who voted in the negative were:

Clark, J.	Dibble	Kelliher	Pawlenty
Clark, K.	Entenza	Mullery	Skoglund

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3200:

Goodno, Wilkin and Marquart.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3246:

Entenza, Davids and Daggett.

CALENDAR FOR THE DAY, Continued

S. F. No. 3345 was reported to the House.

Davids moved that S. F. No. 3345 be returned to the General Register. The motion prevailed.

S. F. No. 2540 was reported to the House.

Dawkins moved that S. F. No. 2540 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 3380, A bill for an act relating to family law; modifying provisions governing postnuptial contracts; amending Minnesota Statutes 2000, section 519.11, subdivision 1a.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 3075 was reported to the House.

Entenza moved to amend S. F. No. 3075 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2687, the first engrossment:

"Section 1. Minnesota Statutes 2000, section 168A.30, subdivision 2, is amended to read:

Subd. 2. [WILLFUL OR FRAUDULENT ACT OR FAILURE TO ACT; MISDEMEANORS.] A person is guilty of a misdemeanor who:

- (1) with fraudulent intent permits another, not entitled thereto, to use or have possession of a certificate of title;
- (2) willfully fails to mail or deliver a certificate of title to the department within the time required by sections 168A.01 to 168A.31;
- (3) willfully fails to deliver to the transferee a certificate of title within ten days after the time required by sections 168A.01 to 168A.31;
- (4) ~~commits a fraud in any application for a certificate of title;~~

(5) fails to notify the department of any fact as required by sections 168A.01 to 168A.31, except for the facts included in the notice of sale described in section 168A.10, subdivision 1; or

(6) (5) willfully violates any other provision of sections 168A.01 to 168A.31 except as otherwise provided in sections 168A.01 to 168A.31.

Sec. 2. Minnesota Statutes 2000, section 297B.035, subdivision 3, is amended to read:

Subd. 3. [SALE IN VIOLATION OF LICENSING REQUIREMENT.] Motor vehicles sold ~~by a new motor vehicle dealer~~ in contravention of section 168.27, subdivision 2, paragraph (a), 3, 6, or 10, paragraph (a), clause (1)(ii), shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the ~~dealer~~ seller shall be required to pay the excise tax due on the purchase of those vehicles. The sale by a lessor of a new motor vehicle under lease within 120 days of the commencement of the lease is deemed a sale in contravention of section 168.27, subdivision 10, paragraph (a), clause (1)(ii), unless the lessor holds a valid contract or franchise with the manufacturer or distributor of the vehicle. Notwithstanding section 297B.11, the rights of a dealer to appeal any amounts owed by the dealer under this subdivision are governed exclusively by the hearing procedure under section 168.27, subdivision 13.

[EFFECTIVE DATE.] This section is effective for sales and purchases occurring after June 30, 2002.

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for payment of sales tax on a motor vehicle sold in violation of dealer licensing requirements; abolishing misdemeanor penalty for committing fraud in an application for certificate of title to a motor vehicle; amending Minnesota Statutes 2000, sections 168A.30, subdivision 2; 297B.035, subdivision 3."

The motion prevailed and the amendment was adopted.

S. F. No. 3075, A bill for an act relating to motor vehicles; providing for payment of sales tax on a motor vehicle sold in violation of dealer licensing requirements; abolishing misdemeanor penalties for certain offenses relating to vehicle titles; amending Minnesota Statutes 2000, section 297B.035, subdivision 3; repealing Minnesota Statutes 2000, section 168A.30, subdivision 2.

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 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Krinkie

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

H. F. No. 3073 was reported to the House.

Osskopp; Larson; Milbert; Rukavina; Johnson, J.; Kielkucki; Jacobson; Gleason; Jaros; Lipman; Lieder; Anderson, B., and Buesgens moved to amend H. F. No. 3073, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TECHNICAL AMENDMENTS

Section 1. Minnesota Statutes 2000, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations as required by section 297E.05, subdivision 2, and provide copies of the record to the board upon demand. ~~The record must include:~~

- ~~(1) the identity of the person from whom the distributor purchased the equipment;~~
- ~~(2) the registration number of the equipment;~~
- ~~(3) the name, address, and license or exempt permit number of the organization to which the sale was made;~~
- ~~(4) the date of the sale;~~
- ~~(5) the name of the person who ordered the equipment;~~
- ~~(6) the name of the person who received the equipment;~~
- ~~(7) the type of equipment;~~

~~(8) the serial number of the equipment;~~

~~(9) the name, form number, or other identifying information for each game; and~~

~~(10) in the case of bingo hard cards or paper sheets sold on and after January 1, 1991, the individual number of each card or sheet.~~

~~The invoice for each sale must be retained for at least 3-1/2 years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.~~

~~Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the board and the division of alcohol and gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.~~

~~The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.~~

Sec. 2. Minnesota Statutes 2000, section 349.163, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, unless the manufacturer has a current and valid license issued by the board under this section and has satisfied other criteria prescribed by the board by rule.

~~A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 unless the manufacturer (1) does not manufacture any gambling equipment other than paddlewheels, and (2) was licensed as both a manufacturer and distributor on May 1, 1990.~~

Sec. 3. Minnesota Statutes 2000, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor ~~unless the manufacturer is also a licensed distributor~~; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph (h), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 4. Minnesota Statutes 2000, section 349.163, subdivision 5, is amended to read:

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state or sell for use or resale in this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by this subdivision and rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

~~(b) A manufacturer must comply with either paragraphs (c) to (g) or (f) to (j) with respect to pull-tabs and tipboards sold by the manufacturer before January 1, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by the manufacturer before January 1, 1995. A manufacturer must comply with paragraphs (f) to (j) with respect to pull-tabs and tipboards sold by the manufacturer on and after January 1, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by the manufacturer on and after January 1, 1995. Paragraphs (c) to (e) expire January 1, 1995.~~

~~(c) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.~~

~~(d) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:~~

~~"Pull-tab (or tipboard) purchasers -- This pull-tab (or tipboard) game is not legal in Minnesota unless:~~

~~-- a Minnesota gambling stamp is affixed to this sheet, and~~

~~-- the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased."~~

~~(e) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high and must be imprinted with the following:~~

~~(1) the name of the game;~~

~~(2) the name of the manufacturer;~~

~~(3) the number of tickets in the deal; and~~

~~(4) other information the board by rule requires.~~

~~(f) The flare of each pull-tab and tipboard game must have affixed to or imprinted at the bottom a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 2.~~

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is affixed to or imprinted at the bottom of a flare for that deal.

~~(g) (c) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.~~

~~(h) (d) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline. The flare must be placed inside the wrapping of the deal which the flare describes.~~

~~(i) (e) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:~~

~~"Pull-tab (or tipboard) purchasers -- This pull-tab (or tipboard) game is not legal in Minnesota unless:~~

-- an outline of Minnesota with letters "MN" inside it is imprinted on this sheet, and

-- the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the pull-tab (or tipboard) ticket you have purchased."

(f) The flare of each pull-tab and tipboard game must have the serial number of the game imprinted on the bar code at the bottom of the flare in numerals at least one-half inch high.

Sec. 5. Minnesota Statutes 2000, section 349.165, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF APPLICATION.] An application for a premises permit must contain:

- (1) the name and address of the applying organization ~~and of the organization's gambling manager;~~
- (2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;
- (3) if the site is leased, the name and address of the lessor and information about the lease the board requires, including all rents and other charges for the use of the site; and
- (4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board in writing within ten days whenever any material change is made in the above information.

Sec. 6. Minnesota Statutes 2000, section 349.167, subdivision 7, is amended to read:

Subd. 7. [GAMBLING MANAGER EXAMINATION.] ~~(a) By January 1, 1996, each gambling manager must pass an examination prepared and administered by the board that tests the gambling manager's knowledge of the responsibilities of gambling managers and of gambling procedures, laws, and rules. The board shall revoke the license of any gambling manager who has not passed the examination by January 1, 1996.~~

~~(b) On and after January 1, 1996, Each applicant for a new gambling manager's license must pass the an examination provided for in paragraph (a) prepared and administered by the board that tests the applicant's knowledge of the responsibilities of gambling managers, and of gambling procedures, laws, and rules before being issued the license. In the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must pass the examination within 90 days of being issued a gambling manager's license. The board shall revoke the replacement gambling manager's license if the replacement gambling manager fails to pass the examination as required in this paragraph.~~

Sec. 7. Minnesota Statutes 2001 Supplement, section 349.168, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION OF EMPLOYEES.] A person may not receive compensation for participating in the conduct of lawful gambling as an employee of a licensed organization unless the person has first registered with the board on a form the board prescribes. The form must require each registrant to provide: (1) the person's name, address, date of birth, and social security number; (2) a current photograph; and (3) the name, address, and license number of the employing organization; ~~and (3) a listing of all employment in the conduct of lawful gambling within the previous three years, including the name and address of each employing organization and the circumstances under which the employment was terminated.~~

Sec. 8. Minnesota Statutes 2000, section 349.168, subdivision 5, is amended to read:

Subd. 5. [COMPENSATION RECORDS.] An organization paying compensation to persons who participate in the conduct of lawful gambling must maintain a compensation record. ~~The record must be retained for at least two years after the month in which the compensation is paid.~~ The record must itemize each payment made to each recipient of compensation and must include the amount and the full name, address, and membership status of each recipient.

Sec. 9. Minnesota Statutes 2000, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the ~~board~~ the department of revenue and to its membership monthly, or quarterly in the case of a class C licensee or licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. ~~In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.~~

Sec. 10. Minnesota Statutes 2000, section 349.191, subdivision 1a, is amended to read:

Subd. 1a. [CREDIT AND SALES TO DELINQUENT ORGANIZATIONS.] (a) If a distributor does not receive payment in full from an organization within 35 days of the ~~delivery of gambling equipment~~ day immediately following the date of the invoice, the distributor must notify the board in writing of the delinquency on the next business day.

(b) If a distributor who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors that until further notice from the board, they may sell gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors not to sell any gambling equipment to the delinquent organization.

(d) No distributor may extend credit or sell gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 11. Minnesota Statutes 2000, section 349.191, subdivision 1b, is amended to read:

Subd. 1b. [CREDIT AND SALES TO DELINQUENT DISTRIBUTORS.] (a) If a manufacturer does not receive payment in full from a distributor within 35 days of the ~~delivery of gambling equipment~~ day immediately following the date of invoice, the manufacturer must notify the board in writing of the delinquency on the next business day.

(b) If a manufacturer who has notified the board under paragraph (a) has not received payment in full from the distributor within 60 days of the notification under paragraph (a), the manufacturer must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all manufacturers that until further notice from the board, they may sell gambling equipment to the delinquent distributor only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all manufacturers not to sell any gambling equipment to the delinquent distributor.

(d) No manufacturer may extend credit or sell gambling equipment to a distributor in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 12. [REPEALER.]

Minnesota Statutes 2000, sections 349.12, subdivision 14; 349.163, subdivision 6a; 349.17, subdivision 2a; and 349.174, are repealed.

ARTICLE 2

BINGO; PULL-TABS

Section 1. Minnesota Statutes 2000, section 349.12, subdivision 4, is amended to read:

Subd. 4. [BINGO.] "Bingo" means a game where each player has a bingo hard card or bingo paper sheet, for which a consideration has been paid, and played in accordance with this chapter and with rules of the board for the conduct of bingo. Bingo also includes a linked bingo game.

Sec. 2. Minnesota Statutes 2000, section 349.12, is amended by adding a subdivision to read:

Subd. 12a. [ELECTRONIC BINGO DEVICE.] "Electronic bingo device" means an electronic device used by a bingo player to monitor bingo paper sheets purchased at the time and place of an organization's bingo occasion and which (1) provides a means for bingo players to input numbers announced by a bingo caller; (2) compares the numbers entered by the player to the bingo faces previously stored in the memory of the device; and (3) identifies a winning bingo pattern.

Electronic bingo device does not mean any device into which coin, currency, or tokens are inserted to activate play.

Sec. 3. Minnesota Statutes 2000, section 349.12, subdivision 18, is amended to read:

Subd. 18. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo hard cards or paper sheets, devices for selecting bingo numbers, electronic bingo devices, linked bingo paper, pull-tabs, jar tickets, paddlewheels, paddlewheel tables, paddletickets, paddleticket cards, tipboards, tipboard tickets, and pull-tab dispensing devices.

Sec. 4. Minnesota Statutes 2000, section 349.12, is amended by adding a subdivision to read:

Subd. 25a. [LINKED BINGO PAPER.] "Linked bingo paper" means a bingo paper sheet that is sealed by the manufacturer so that the bingo faces are concealed until opened by the player. Linked bingo paper must bear a serial number and a bar code containing information prescribed by the board by rule.

Sec. 5. Minnesota Statutes 2000, section 349.12, is amended by adding a subdivision to read:

Subd. 25b. [LINKED BINGO GAME.] "Linked bingo game" means a single bingo game conducted during a bingo occasion, and played using linked bingo paper in which players participate simultaneously at two or more locations within Minnesota where the organizations have premises permits to conduct bingo and for which there is a common prize pool and a common selection of numbers or symbols conducted at one location, with the results of the selection transmitted electronically to all participating organizations by satellite, telephone, or other means.

Sec. 6. Minnesota Statutes 2001 Supplement, section 349.15, subdivision 1a, is amended to read:

Subd. 1a. [~~NATURAL~~ DISASTER RELIEF.] An organization may expend net profits from lawful gambling to relieve the effects of a ~~natural~~ disaster as defined in section 12.03, subdivision 2, without the prior approval of its membership if:

- (1) the contribution is a lawful purpose under section 349.12, subdivision 25;
- (2) the contribution is authorized by the organization's chief executive officer and gambling manager; and
- (3) the contribution is approved by the membership of the organization at its next regularly scheduled monthly meeting.

If the contribution is not approved by the membership of the organization at its next regularly scheduled monthly meeting, the organization shall reimburse its gambling account in the amount of the contribution.

Sec. 7. Minnesota Statutes 2000, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

- (1) to regulate lawful gambling to ensure it is conducted in the public interest;
- (2) to issue licenses to organizations, distributors, bingo halls, linked bingo game prize providers, manufacturers, and gambling managers;
- (3) to collect and deposit license, permit, and registration fees due under this chapter;
- (4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, ~~and~~ bingo halls, and linked bingo game prize providers to insure compliance with all applicable laws and rules;
- (5) to make rules authorized by this chapter;
- (6) to register gambling equipment and issue registration stamps;
- (7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;
- (8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;
- (9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, employees eligible to make sales on behalf of a distributor, manufacturers, bingo halls, linked bingo game prize providers, and gambling managers for failure to comply with any provision of this chapter or any rule or order of the board;
- (10) to issue premises permits to organizations licensed to conduct lawful gambling;
- (11) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;
- (12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, linked bingo game prize providers, or gambling managers as provided in this chapter;
- (13) to register employees of organizations licensed to conduct lawful gambling;
- (14) to require fingerprints from persons determined by board rule to be subject to fingerprinting;
- (15) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;
- (16) to order organizations, distributors, manufacturers, bingo halls, linked bingo game prize providers, and gambling managers to take corrective actions; and
- (17) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, employee eligible to make sales on behalf of a distributor, manufacturer, bingo hall licensee, linked bingo game prize provider, or gambling manager a civil penalty of not more than \$500 per violation for a failure to comply with any provision of this chapter or any rule adopted or order issued by the board. Any organization, distributor, bingo hall licensee, gambling manager, linked bingo game prize provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 8. Minnesota Statutes 2000, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three; and

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages; or (ii) a licensed bingo hall that allows gambling only by persons 18 years or older; ~~and~~

~~(3) must prohibit the use of pull-tab dispensing devices at any licensed premises where pull-tabs are sold other than through a pull-tab dispensing device by an employee of the organization who is also the lessor or an employee of the lessor.~~

(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

(d) The director may charge a manufacturer a fee of up to \$5,000 per pull-tab dispensing device to cover the costs of services provided by an independent testing laboratory to perform testing and analysis of pull-tab dispensing devices. The director shall deposit in a separate account in the state treasury all money the director receives as reimbursement for the costs of services provided by independent testing laboratories that have entered into contracts with the state to perform testing and analysis of pull-tab dispensing devices. Money in the account is appropriated to the director to pay the costs of services under those contracts.

Sec. 9. Minnesota Statutes 2000, section 349.151, is amended by adding a subdivision to read:

Subd. 4c. [ELECTRONIC BINGO.] (a) The board may by rule authorize but not require the use of electronic bingo devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of bingo faces that can be played using an electronic bingo device to 72;

(2) must require that an electronic bingo device be used with corresponding bingo paper sheets;

(3) must require that the electronic bingo device site system have dial-up capability to permit the board to remotely monitor the operation of the device and the internal accounting systems; and

(4) must prohibit the price of a face played on an electronic bingo device from being less than the price of a face on a bingo paper sheet sold at the same occasion.

Sec. 10. Minnesota Statutes 2000, section 349.155, subdivision 3, is amended to read:

Subd. 3. [MANDATORY DISQUALIFICATIONS.] (a) In the case of licenses for manufacturers, distributors, bingo halls, linked bingo game prize providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, or an employee eligible to make sales on behalf of the applicant or licensee:

- (1) has ever been convicted of a felony or a crime involving gambling;
- (2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (3) is or has ever been connected with or engaged in an illegal business;
- (4) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or
- (6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

- (1) has been convicted of a felony or gross misdemeanor within the five years before the issuance or renewal of the license;
- (2) has ever been convicted of a crime involving gambling; or
- (3) has had a license issued by the board or director permanently revoked for violation of law or board rule.

Sec. 11. Minnesota Statutes 2000, section 349.161, subdivision 4, is amended to read:

Subd. 4. [FEES.] The ~~annual~~ initial fee for a distributor's license is \$3,500. The initial term of a distributor's license is one year. Renewal licenses under this section are valid for two years and the fee for the renewal license is \$7,000.

Sec. 12. Minnesota Statutes 2000, section 349.163, subdivision 2, is amended to read:

Subd. 2. [LICENSE; FEE.] ~~★ The~~ initial license under this section is valid for one year. The ~~annual~~ fee for the initial license is \$5,000. Renewal licenses under this section are valid for two years and the fee for the renewal license is \$10,000.

Sec. 13. [349.1635] [LINKED BINGO LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may do any of the following without having first obtained a license from the board:

- (1) provide the means to link prizes in a linked bingo game;

(2) provide linked bingo game prize management; or

(3) unless the person is licensed as a distributor, provide gambling equipment used exclusively in a linked bingo game.

Subd. 2. [APPLICATION.] The board may issue a license to a linked bingo game prize provider who meets the qualifications of this chapter. The application shall be on a form prescribed by the board. Attached to the application must be evidence of bond of sufficient size to cover all linked bingo game prize jackpots and any linked bingo prizes guaranteed by the linked bingo game provider. The initial fee for a linked bingo game prize provider license is \$3,500. The term of an initial license is one year. Renewal licenses under this section are valid for two years and the fee for a renewal license is \$7,000.

Subd. 3. [PROHIBITION.] (a) Except for services associated exclusively with a linked bingo game, a linked bingo game prize provider may not participate or assist in any way in the conduct of lawful gambling by an organization.

(b) No linked bingo game prize provider may also be licensed as a bingo hall or hold any financial or managerial interest in a bingo hall.

(c) No linked bingo game prize provider may also be licensed as a distributor, hold any financial or managerial interest in a distributor, or be employed by a distributor.

Sec. 14. Minnesota Statutes 2000, section 349.164, subdivision 4, is amended to read:

Subd. 4. [FEES; TERM OF LICENSE.] The ~~annual~~ initial fee for a bingo hall license is \$2,500. An initial license under this section is valid for one year. Renewal licenses under this section are valid for two years and the fee for the renewal license is \$5,000.

Sec. 15. Minnesota Statutes 2000, section 349.17, is amended by adding a subdivision to read:

Subd. 8. [LINKED BINGO GAMES.] (a) A licensed organization may conduct or participate in a linked bingo game in association with one or more other licensed organizations.

(b) Each participating organization shall contribute to each prize awarded in a linked bingo game in proportion to the organization's gross receipts derived from the conduct of the linked bingo game at each location where the organization has a premises permit to conduct bingo and is participating in the linked bingo game as compared with the total gross receipts derived from all locations participating in the game, except that in no instance may the minimum contribution be less than \$250 and the maximum contribution more than \$1,000.

(c) The board may adopt rules to:

(1) specify the manner in which a linked bingo game must be played and how the linked bingo prizes must be paid;

(2) specify the records to be maintained by a linked bingo game prize provider and each participating organization;

(3) require the submission of reports by the linked bingo game prize provider and specify the content of the reports;

(4) prohibit linked bingo games from being progressive games; and

(5) prescribe any other matter involving the operation of a linked bingo game.

Sec. 16. Minnesota Statutes 2000, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] (a) Except as provided in subdivision 2, prizes for a single bingo game may not exceed \$200 except prizes for a cover-all game, which may exceed \$200 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$1,000.

(b) Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,500.

(c) A prize may be determined based on the value of the bingo packet sold to the player. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

(d) Paragraphs (a), (b), and (c) do not apply to a linked bingo game.

Sec. 17. Minnesota Statutes 2000, section 349.211, subdivision 2, is amended to read:

Subd. 2. [PROGRESSIVE BINGO GAMES.] A prize of up to \$2,000 may be awarded for a progressive bingo game, including a cover-all game. The prize for a progressive bingo game may start at ~~\$300~~ \$500 and be increased by up to \$100 for each occasion during which the progressive bingo game is played. A consolation prize of up to \$200 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won. The total amount awarded in progressive bingo game prizes in any calendar year may not exceed ~~\$36,000~~ \$48,000.

Sec. 18. Minnesota Statutes 2000, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. [PULL-TAB PRIZES.] The maximum prize which may be awarded for any single pull-tab is ~~\$500~~ \$599. An organization may not sell any pull-tab for more than \$2.

ARTICLE 3

LAWFUL PURPOSE; VETERANS ORGANIZATIONS

Section 1. Minnesota Statutes 2001 Supplement, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a program recognized by the Minnesota department of human services for the education, prevention, or treatment of compulsive gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per occasion reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; or

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$35 per occasion;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises wholly owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code, not to exceed:

(i) for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and

(ii) \$35,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the department of revenue;

(13) a contribution to or expenditure on a wildlife management project that benefits the public at-large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;

(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all-terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose; or

(15) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled; ~~or~~

(16) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(17) payment of heat, water, sanitation, telephone, and other utility bills for a building owned or leased by, and used as the primary headquarters of, a veterans organization; or

(18) expenditure by a veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 2000, section 240.13, is amended by adding a subdivision to read:

Subd. 10. [ACCOUNT WAGERING.] Pari-mutuel account wagering may be conducted upon such conditions as the commission determines appropriate. Account wagering conducted in accordance with this section shall not be considered a violation of section 240.25, subdivision 2. As used in this section, "account wagering" means a method of pari-mutuel wagering in which an individual may establish an account with an operator, deposit money

into an account, and then use the account balance to pay for pari-mutuel wagering authorized under this section. Information assisting in the placement of an account wager may be communicated by the account holder in person, by telephone, or by communication through other electronic media.

Sec. 2. Minnesota Statutes 2000, section 299L.07, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be sold by the governing body of a federally recognized Indian tribe described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to a distributor licensed under this section, and (iii) the licensed distributor notifies the commissioner of the purchase, in the same manner as is required when the licensed distributor ships a gambling device into Minnesota;

(3) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; and

(4) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling.

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

Delete the title and insert:

"A bill for an act relating to gambling; making technical, clarifying, and conforming changes; deleting obsolete language; providing for linked bingo games and electronic bingo devices; providing and modifying certain definitions and prize amounts relating to lawful gambling; modifying procedures for pull-tab dispensing devices; providing for pari-mutuel account wagering; regulating sales of certain gambling equipment; amending Minnesota Statutes 2000, sections 240.13, by adding a subdivision; 299L.07, subdivision 2; 349.12, subdivisions 4, 18, by adding subdivisions; 349.151, subdivisions 4, 4b, by adding a subdivision; 349.155, subdivision 3; 349.161, subdivision 4; 349.162, subdivision 2; 349.163, subdivisions 1, 2, 3, 5; 349.164, subdivision 4; 349.165, subdivision 2; 349.167, subdivision 7; 349.168, subdivision 5; 349.17, by adding a subdivision; 349.19, subdivision 5; 349.191, subdivisions 1a, 1b; 349.211, subdivisions 1, 2, 2a; Minnesota Statutes 2001 Supplement, sections 349.12, subdivision 25; 349.15, subdivision 1a; 349.168, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 2000, sections 349.12, subdivision 14; 349.163, subdivision 6a; 349.17, subdivision 2a; 349.174."

The motion prevailed and the amendment was adopted.

Anderson, B., and Erickson moved to amend H. F. No. 3073, the first engrossment, as amended, as follows:

Page 18, after line 14, insert:

"Sec. 19. Minnesota Statutes 2000, section 349.2127, subdivision 8, is amended to read:

Subd. 8. [MINIMUM AGE.] (a) A person under the age of ~~18~~ 21 years may not buy a pull-tab, tipboard ticket, paddlewheel ticket, or raffle ticket, or a chance to participate in a bingo game other than a bingo game exempt or excluded from licensing. Violation of this paragraph is a misdemeanor.

(b) A licensed organization or employee may not allow a person under age ~~18~~ 21 to participate in lawful gambling in violation of paragraph (a). Violation of this paragraph is a misdemeanor.

(c) In a prosecution under paragraph (b), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in section 340A.503, subdivision 6, paragraph (a)."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Stang moved to amend the Anderson, B., and Erickson amendment to H. F. No. 3073, the first engrossment, as amended, as follows:

Page 1, line 7, of the Anderson, B., and Erickson amendment, strike "MINIMUM AGE" and insert "AGE RESTRICTIONS"

Page 1, line 8, after "years" insert "and over the age of 60 years"

Page 1, line 13, after "21" insert "and over the age of 60 years"

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

The question recurred on the Anderson, B., and Erickson amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Hackbarth	Krinkie	Olson	Skoglund
Abrams	Dorn	Harder	Lenczewski	Opatz	Slawik
Anderson, B.	Eastlund	Hausman	Lieder	Osthoff	Stanek
Bakk	Erhardt	Hilstrom	Lindner	Ozment	Swenson
Biernat	Erickson	Holberg	Lipman	Paulsen	Sykora
Boudreau	Evans	Jacobson	Mares	Pawlenty	Tingelstad
Bradley	Finseth	Johnson, R.	Marquart	Rifenberg	Tuma
Cassell	Gerlach	Jordan	McElroy	Ruth	Vandever
Clark, J.	Greiling	Kalis	McGuire	Seagren	Spk. Sviggum
Davnie	Gunther	Knoblach	Molnau	Seifert	
Dehler	Haas	Koskinen	Mulder	Skoe	

Those who voted in the negative were:

Anderson, I.	Daggett	Fuller	Howes	Kahn	Mahoney
Bernardy	Davids	Gleason	Huntley	Kelliher	Mariani
Bishop	Dawkins	Goodno	Jaros	Kielkucki	Milbert
Blaine	Dibble	Goodwin	Jennings	Kubly	Mullery
Buesgens	Dorman	Gray	Johnson, J.	Kuisle	Murphy
Carlson	Entenza	Hilty	Johnson, S.	Larson	Ness
Clark, K.	Folliard	Holsten	Juhnke	Leighton	Nornes

Osskopp	Peterson	Sertich	Thompson	Westerberg	Workman
Otremba	Pugh	Smith	Wagenius	Westrom	
Paymar	Rhodes	Solberg	Walker	Wilkin	
Pelowski	Rukavina	Stang	Walz	Winter	
Penas	Schumacher	Swapinski	Wasiluk	Wolf	

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

H. F. No. 3073, A bill for an act relating to gambling; making technical, clarifying, and conforming changes; deleting obsolete language; providing for linked bingo games and electronic bingo devices; providing and modifying certain definitions and prize amounts relating to lawful gambling; modifying procedures for pull-tab dispensing devices; providing for pari-mutuel account wagering; regulating sales of certain gambling equipment; amending Minnesota Statutes 2000, sections 240.13, by adding a subdivision; 299L.07, subdivision 2; 349.12, subdivisions 4, 18, by adding subdivisions; 349.151, subdivisions 4, 4b, by adding a subdivision; 349.155, subdivision 3; 349.161, subdivision 4; 349.162, subdivision 2; 349.163, subdivisions 1, 2, 3, 5; 349.164, subdivision 4; 349.165, subdivision 2; 349.167, subdivision 7; 349.168, subdivision 5; 349.17, by adding a subdivision; 349.19, subdivision 5; 349.191, subdivisions 1a, 1b; 349.211, subdivisions 1, 2, 2a; Minnesota Statutes 2001 Supplement, sections 349.12, subdivision 25; 349.15, subdivision 1a; 349.168, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 2000, sections 349.12, subdivision 14; 349.163, subdivision 6a; 349.17, subdivision 2a; 349.174.

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 92 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler	Erhardt	Jacobson	Mares	Pugh	Thompson
Abrams	Erickson	Jaros	Marquart	Rhodes	Tingelstad
Anderson, I.	Finseth	Jennings	Milbert	Rifenberg	Tuma
Bakk	Folliard	Johnson, J.	Molnau	Rukavina	Vandever
Biernat	Fuller	Johnson, R.	Mullery	Ruth	Walz
Blaine	Gerlach	Johnson, S.	Murphy	Schumacher	Wasiluk
Boudreau	Gleason	Jordan	Ness	Seifert	Westerberg
Bradley	Goodno	Juhnke	Nornes	Sertich	Westrom
Buesgens	Goodwin	Kalis	Opatz	Skoe	Wilkin
Carlson	Gunther	Kielkucki	Osskopp	Slawik	Winter
Cassell	Haas	Kubly	Otremba	Smith	Workman
Daggett	Hackbarth	Kuisle	Ozment	Solberg	Spk. Sviggum
Dehler	Hilstrom	Larson	Paulsen	Stanek	
Dempsey	Hilty	Leighton	Pelowski	Stang	
Dorman	Holsten	Lieder	Penas	Swenson	
Dorn	Howes	Lipman	Peterson	Sykora	

Those who voted in the negative were:

Anderson, B.	Dawkins	Hausman	Krinkie	Mulder	Swapinski
Bernardy	Dibble	Holberg	Lenczewski	Olson	Wagenius
Bishop	Eastlund	Huntley	Lindner	Osthoff	Walker
Clark, J.	Entenza	Kahn	Mahoney	Pawlenty	Wolf
Clark, K.	Evans	Kelliher	Mariani	Paymar	
Dauids	Greiling	Knoblach	McElroy	Seagren	
Davnie	Harder	Koskinen	McGuire	Skoglund	

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

MOTIONS AND RESOLUTIONS

Abeler moved that the name of Jordan be added as an author on H. F. No. 1464. The motion prevailed.

Erickson moved that the name of Jordan be added as an author on H. F. No. 2437. The motion prevailed.

Clark, J., moved that the name of Jordan be added as an author on H. F. No. 3386. The motion prevailed.

Molnau moved that her name be stricken and the name of Kuisle be added as chief author on H. F. No. 3416. The motion prevailed.

POINT OF ORDER

Pawlenty raised a point of order pursuant to section 100 of "Mason's Manual of Legislative Procedure," that There Must Be a Question Before the House to Permit Debate. The Speaker ruled the point of order well taken.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, April 11, 2002. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, April 11, 2002.

EDWARD A. BURDICK, Chief Clerk, House of Representatives