The House of Representatives convened at 12:00 noon and was called to order by Joe Hoppe, Speaker pro tempore.

Prayer was offered by the Reverend Bob Battle, Berean Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:


A quorum was present.

The Speaker assumed the Chair.

Haas; Johnson, S.; Olson, M.; Samuelsen; Wagenius and Walker were excused.
The Chief Clerk proceeded to read the Journal of the preceding day. Penas moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

**PETITIONS AND COMMUNICATIONS**

The following communications were received:

**STATE OF MINNESOTA**  
**OFFICE OF THE GOVERNOR**  
**SAINT PAUL 55155**

March 26, 2004

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 Files:

H. F. No. 307, relating to elections; providing an exemption for noncommercial signs from ordinances that limit the number of noncommercial signs.

H. F. No. 1064, relating to state employees; making technical and housekeeping changes.

Sincerely,

TIM PAWLIENTY  
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 James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2004 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:
REPORTS OF STANDING COMMITTEES

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

H. F. No. 1681, A bill for an act relating to operation of state government; conforming to federal tax changes to encourage consumer-driven health plans; encouraging efficiency in providing health care; requiring disease management initiatives; implementing health care cost containment, cost-shifting provisions, and reduction of government mandates; implementing health plan competition and reform provisions; changing health maintenance organization regulatory authority; changing provisions related to child care, economic supports, health care, long-term care, continuing care, and program integrity and administration; making health and human services forecast adjustments and reductions; appropriating money; amending Minnesota Statutes 2002, sections 16A.10, by adding a subdivision; 43A.23, by adding a subdivision; 62A.02, subdivision 2; 62D.02, subdivision 4, by adding a subdivision; 62D.03, subdivision 1; 62D.04, subdivision 1; 62D.05, subdivision 1; 62Q.65; 72A.20, by adding a subdivision; 119B.13, by adding a subdivision; 144.148, by adding a subdivision; 144A.10, subdivision 1a, by adding a subdivision; 144D.025; 147.03, subdivision 1; 256.01, by adding subdivisions; 256.9365, subdivision 1; 256B.02, subdivision 12; 256B.04, subdivision 14, by adding a subdivision; 256B.056, subdivision 5, by adding subdivisions; 256B.0916, subdivision 2; 256B.431, by adding subdivisions; 256B.49, by adding a subdivision; 256D.045; 256D.051, subdivisions 1a, 3a, 6c; 256L.04, subdivision 2a; 256L.01, subdivision 5; 256L.03, subdivision 5, by adding a subdivision; 256L.04, subdivision 2, by adding subdivisions; 256L.05, subdivision 3; 549.02, by adding a subdivision; 549.04; Minnesota Statutes 2003 Supplement, sections 62E.08, subdivision 1; 62E.091; 62J.26, by adding a subdivision; 119B.09, subdivision 9; 119B.13, subdivision 1; 144.7063, subdivision 3; 144A.071, subdivision 4c; 245A.10, subdivision 4; 246B.04, as amended; 252.27, subdivision 2a; 256L.019, subdivision 1; 256L.046, subdivision 1; 256L.955, subdivisions 2a, 3; 256B.056, subdivision 3c; 256B.057, subdivision 9; 256B.0595, subdivision 2; 256B.06, subdivision 4; 256B.0625, subdivision 9; 256B.0631, subdivision 2; 256B.19, subdivision 1; 256B.434, subdivision 4; 256B.69, subdivision 2; 256D.03, subdivisions 3, 4; 256D.44, subdivision 5; 256J.24, subdivision 6; 256J.37, subdivision 3a; 256J.53, subdivision 1; 256L.03, subdivision 1; 256L.035; 256L.07, subdivisions 1, 3; 290.01, subdivisions 19, 31; 295.50, subdivision 9b; 295.53, subdivision 1; Laws 2003, First Special Session chapter 14, article 9, section 34; Laws 2003, First Special Session chapter 14, article 13C, section 1; Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivisions 1, 3, 6, 7, 9, 11; Laws 2003, First Special Session chapter 14, article 13C, section 10, subdivision 1;
proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62Q; 144A; 145; 151; 256B; repealing Minnesota Statutes 2002, sections 62A.309; 62J.17, subdivisions 1, 3, 4a, 5a, 6a, 7, 8; 256.955, subdivisions 1, 2, 2b, 4, 5, 6, 7, 9; 256L.04, subdivision 11; Minnesota Statutes 2003 Supplement, sections 62J.17, subdivision 2; 256.955, subdivisions 2a, 3, 4a; 256B.431, subdivision 36.

Reported the same back with the following amendments:

Page 3, delete section 3

Pages 4 to 8, delete sections 5 to 6

Page 30, line 34, before "The" insert "(a)"

Page 31, line 1, before "Counties" insert "Beginning on July 1, 2005,"

Page 31, line 2, delete "2002" and insert "2003" and after the period, insert:

"(b)"

Page 38, line 21, delete "relative"

Page 50, line 5, reinstate the stricken language

Page 50, line 6, reinstate the stricken "hospital, nursing home," and reinstate the stricken "intermediate care facility for the"

Page 50, line 7, reinstate the stricken language and before "whose" insert ", or group residential housing facility under chapter 256I, and"

Page 50, delete lines 22 to 23 and insert:

"[EFFECTIVE DATE.] This section is effective 90 days after federal approval or January 1, 2005, whichever is later."

Page 60, line 28, delete everything after "2005" and insert a period

Page 60, delete line 29

Page 75, lines 1 to 2, delete "After the computations in subdivision 40,"

Page 75, line 9, after "premiums" insert "where the increase, on a per bed basis, is"

Page 75, line 32, after "percent" insert ", on a per bed basis"

Page 76, lines 1, 4, and 6, delete "$1,700,000" and insert "$1,550,000"

Page 77, after line 28, insert:

"Sec. 9. [GRANTS TO MEDICARE CERTIFIED HOME CARE AGENCIES.]"

Subdivision 1. [GRANT AVAILABILITY.] The commissioner of human services shall make available to eligible Medicare certified home care agencies reimbursed under Minnesota Statutes, chapter 256B, grants to assist agencies in paying professional liability insurance premiums greater than five percent from the previous year. These grants are one-time and shall not be included in an agency's payment rate.
Subd. 2. [ELIGIBILITY FOR GRANTS.] An agency is eligible for a grant if the agency experienced a rate increase in premiums for professional liability insurance of more than five percent between calendar years 2002 and 2003, and provides to the commissioner, in the form and manner specified by the commissioner, information on the amount of premiums paid for professional liability insurance for calendar years 2002 and 2003, and any increases in the number of client visits and the number of employees for that time period. The information must be delivered to the commissioner by October 1, 2004, or postmarked by September 30, 2004. Agencies that do not meet this deadline are ineligible for a grant.

Subd. 3. [GRANT BASED ON ALLOWABLE INCREASED COSTS.] The commissioner shall review the information timely submitted to determine each agency's allowable increased costs, and subject to the limitations in subdivision 4, shall provide a grant to the agency equal to the agency's allowable increased costs. For purposes of this requirement, "allowable increased costs" is the dollar amount of the portion of the percentage increase in an agency's professional liability insurance premiums between calendar years 2002 and 2003 that exceeds five percent, minus any dollar amount due to an increase in the number of client visits or the number of employees.

Subd. 4. [STATE SHARE; FEDERAL MATCH.] If the grants provided to agencies are projected to increase state spending by more than $150,000, the commissioner shall proportionally decrease agency grant amounts to levels that limit state spending to $150,000. If the commissioner is able to obtain a federal match of medical assistance for this purpose, the federal match shall be added to the state allocation, and used to provide grants under this section.

Page 79, line 14, delete "540" and insert "545"

Page 79, line 20, delete "540" and insert "545"

Page 79, line 21, delete "540" and insert "545"

Page 100, after line 34, insert:

"Sec. 18. [CONTINUATION OF LIFE ESTATES AND JOINT TENANCY INTERESTS IN REAL ESTATE.]

Subdivision 1. [EXEMPTION FOR CERTAIN NURSING FACILITY RESIDENTS.] The provisions of Minnesota Statutes, section 256B.15, subdivisions 1, 1d, 1f, 1g, 1h, 1i, and 1j, and section 514.981, subdivision 6, related to the continuation of a recipient's life estate or joint tenancy interests in real estate property after the recipient's death for the purpose of recovering medical assistance, do not apply to life estates and joint tenancy interests of recipients who were permanent residents of a nursing facility on August 1, 2003, and who had established a life estate or joint tenancy interest in real estate prior to August 1, 2003.

Subd. 2. [TEMPORARY PROHIBITION ON RECOVERY.] The commissioner of human services is prohibited from making medical assistance recoveries related to the continuation of a recipient's life estate or joint tenancy interests in real estate after the recipient's death for decedents who die between August 1, 2003, and July 31, 2005, and who had established a life estate or joint tenancy interest in real estate prior to August 1, 2003.

Subd. 3. [REFUND OF AMOUNTS RECOVERED.] The commissioner of human services and any county agency which has collected any sum attributable to a life estate or joint tenancy interest in real estate which was continued for recipients described in subdivisions 1 or 2, shall promptly refund the amount collected to the person or persons who paid the amount collected, in proportion to each person's contribution to the amount.
Subd. 4. [LIEN NOTICES.] Lien notices of record against life estate or joint tenancy interests described in subdivisions 1 and 2 shall have no effect beyond the death of the recipient unless continued after that time by the terms of the instrument creating the interest, shall be disregarded by examiners of title, and shall not be carried forward to subsequent certificates of title.

Subd. 5. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) A life estate or joint tenancy interest is established on the date the instrument creating the interest is recorded or filed in the office of the county recorder or registrar of titles where the real estate interest it describes is located.

(c) A recipient is a permanent resident of a nursing facility if the recipient had resided in the nursing facility for 30 days or longer and could not be reasonably expected to be discharged and return home.

[EFFECTIVE DATE.] This section is effective retroactive to August 1, 2003."

Page 101, after line 7, insert:

"Sec. 2. [144.552] [PUBLIC INTEREST REVIEW.] (a) A hospital seeking to increase its number of licensed beds or an organization seeking to obtain a hospital license must submit a plan to the commissioner of health. The plan must include information that includes an explanation of how the expansion will meet the public's interest. When submitting a plan to the commissioner, an applicant shall pay the commissioner for the commissioner's cost of reviewing the plan, as determined by the commissioner and notwithstanding section 16A.1283. Money received by the commissioner under this section is appropriated to the commissioner for the purpose of administering this section.

(b) Plans submitted under this section shall include detailed information necessary for the commissioner to review the plan and make a finding. The commissioner may request additional information from the hospital submitting a plan under this section and from others affected by the plan that the commissioner deems necessary to review the plan and make a finding.

(c) The commissioner shall review the plan and, within 90 days, but no more than six months if extenuating circumstances apply, issue a finding on whether the plan is in the public interest. In making the recommendation, the commissioner shall consider issues including but not limited to:

(1) whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services;

(2) the financial impact of the new hospital or hospital beds on existing acute-care hospitals that have emergency departments in the region;

(3) how the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff;

(4) the extent to which the new hospital or hospital beds will provide services to nonpaying or low-income patients relative to the level of services provided to these groups by existing hospitals in the region; and

(5) the views of affected parties."
(d) Upon making a recommendation under paragraph (c), the commissioner shall provide a copy of the recommendation to the chairs of the house and senate committees having jurisdiction over health and human services policy and finance.

Page 136, delete line 1, and insert:

"General $136,924,000 $(201,661,000) $(64,737,000)"

Page 136, line 3, delete "(46,286,000)" and insert "(46,406,000)" and delete "(4,292,000)" and insert "(4,412,000)"

Page 136, delete line 6, and insert:

"TOTAL $178,918,000 $(247,992,000) $(69,149,000)"

Page 136, delete line 14, and insert:

"Appropriation $178,918,000 $(247,154,000)"

Page 136, delete line 16, and insert:

"General 136,924,000 (200,979,000)"

Page 136, line 18, delete "(46,280,000)" and insert "(46,400,000)"

Page 136, after line 30, insert:

"General -0- 250,000"

Page 136, line 34, delete "10,652,000" and insert "10,579,000"

Page 136, line 41, delete "$10,652,000" and insert "$10,579,000"

Page 136, line 42, delete "$15,113,000" and insert "$15,028,000"

Page 136, line 43, delete "$15,339,000" and insert "$15,254,000"

Page 137, line 38, delete "41,944,000" and insert "41,994,000"

Page 138, delete lines 8 through 31 and insert:

"[HEALTH CARE GRANTS FORECAST.] The commissioner of finance, as part of the November 2004 forecast, shall determine the extent to which projected state spending for the portion of medical assistance that serves MFIP and Families basic health care grants for the FY 2006-2007 biennium exceeds the level of spending projected for those programs in the FY 2004-2005 biennium. If the level of state spending projected for the FY 2006-2007 biennium exceeds the level of state spending for those programs in the FY 2004-2005 biennium by more than $100,000,000, the commissioner of human services must prepare a plan to reduce expenditures for the portion of medical assistance that serves MFIP and Families basic health care grants for the FY 2006-2007 biennium by an amount so that expenditures in those programs do not exceed the expenditures for those programs in the FY 2004-
2005 biennium by more than $100,000,000. The reductions in the plan presented by the commissioner of human services shall not reduce medical assistance reimbursement rates to providers. The commissioner must present this plan to the chairs of the House Health and Human Services Finance Committee and the Senate Finance Health, Human Services and Corrections Budget Division by December 15, 2004."

Page 139, delete lines 31 to 44

Page 139, line 47, delete "15,482,000" and insert "15,409,000"

Page 140, line 33, delete "2,295,000" and insert "2,222,000"

Page 141, delete lines 20 to 25 and insert:

"[NURSING FACILITY SCHOLARSHIP PROGRAM.] From the effective date of this act through June 30, 2005, nursing facilities shall receive as a per diem adjustment to their total payment rates, the per diem amount determined in Minnesota Statutes 2003 Supplement, section 256B.431, subdivision 36, paragraph (b), minus $0.25. If this amount is less than zero, then the facility shall receive no rate adjustment.

For the rate year beginning July 1, 2005, the amount determined under Minnesota Statutes 2003 Supplement, section 256B.431, subdivision 36, paragraph (b), shall be removed from each nursing facility's rate."

Page 143, line 16, delete "(10,225,000)" and insert "(10,152,000)"

Page 143, line 22, delete "(10,225,000)" and insert "(10,152,000)"

The revisor shall move article 11, section 2, to article 12, section 2.

Renumbe the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, lines 2 and 3, delete "conforming to federal tax" and insert "making"

Page 1, line 20, delete "62Q.65;"

Page 2, lines 4 and 5, delete "290.01, subdivisions 19, 31;"

Page 2, line 12, delete "subdivision" and insert "subdivisions" and after "1" insert ", 2"

Page 2, line 13, after "62Q;" insert "144;"

With the recommendation that when so amended the bill pass.

The report was adopted.
Haas from the Committee on State Government Finance to which was referred:

H. F. No. 2905, A bill for an act relating to state government; authorizing the cooperative purchase of goods; amending Minnesota Statutes 2002, section 16C.03, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 13, delete everything after "bid" and insert "by a national purchasing alliance domiciled in Minnesota at the time the contract is bid by other vendors to whom the contract is awarded"

Page 1, delete line 14

Page 1, line 15, delete everything before the period

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means without further recommendation.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1681 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

DeLaForest introduced:

H. F. No. 3157, A bill for an act relating to local government; permitting the city of Ham Lake to adopt and implement a long-term comprehensive plan.

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

Larson introduced:

H. F. No. 3158, A bill for an act relating to state budget priorities; providing an income tax credit for nursing home residents; restricting state contract expenditures; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16C, 290.

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

H. F. No. 3159, A bill for an act relating to estate taxation; allowing Minnesota qualified terminable interest property elections; modifying the definition of the taxable estate; amending Minnesota Statutes 2003 Supplement, section 291.03, subdivision 1.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 58, A bill for an act relating to crimes; reducing from 0.10 to 0.08 the per se alcohol concentration level for impairment offenses involving driving a motor vehicle, criminal vehicular homicide and injury, operating recreational vehicles or watercraft, hunting, or operating military vehicles while impaired; requiring a report; appropriating money; amending Minnesota Statutes 2002, sections 97B.065, subdivision 1; 97B.066, subdivision 1; 169A.20, subdivision 1; 169A.51, subdivision 1; 169A.52, subdivisions 2, 4, 7; 169A.54, subdivision 7; 169A.76; 192A.555; 609.21; Minnesota Statutes 2003 Supplement, section 169A.53, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Foley, Skoglund and Knutson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Strachan moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 58. The motion prevailed.

CALENDAR FOR THE DAY

S. F. No. 1653, A bill for an act relating to real property; clarifying plat and survey approval requirements; clarifying the process for preserving section and quarter-section markers; amending Minnesota Statutes 2002, sections 160.15; 389.09.

The bill was read for the third time and placed upon its final passage.
The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abeler  Davnie  Heidgerken  Lenczewski  Osterman  Soderstrom
Abrams  DeLaForest  Hilstrom  Lesch  Otremba  Solberg
Adolphson  Demmer  Hilty  Lieder  Otto  Stang
Anderson, B.  Dempsey  Hoppe  Lindgren  Ozment  Strachan
Anderson, I.  Dill  Hornstein  Lindner  Paulsen  Swenson
Anderson, J.  Dorman  Howes  Lipman  Paymar  Sykora
Atkins  Dorn  Huntley  Magnus  Pelowski  Thao
Beard  Eastlund  Jacobson  Mahoney  Penas  Thissen
Bernardy  Ellison  Jaros  Mariam  Peterson  Tingelstad
Biernat  Entenza  Johnson, J.  Marquart  Powell  Udahl
Blaine  Erhardt  Juhnke  McNamara  Pugh  Vandevier
Borrell  Erickson  Kahn  Meslow  Rhodes  Walz
Boudreau  Finstad  Kelliher  Mullery  Rukavina  Wardlow
Bradley  Fuller  Klinzing  Murphy  Ruth  Wasiuk
Brod  Gerlach  Knoblauch  Nelson, C.  Seagren  Westerberg
Buesgens  Goodwin  Koenen  Nelson, M.  Seifert  Westrom
Carlson  Greiling  Kohls  Nelson, P.  Severson  Wilkin
Clark  Gunther  Kuisle  Newman  Sieben  Zellers
Cornish  Hackbart  Lanning  Nornes  Simpson  Spk. Sviggum
Cox  Harder  Larson  Olsen, S.  Slawik
Davids  Hauman  Latz  Opatz  Opatz  Smith

Those who voted in the negative were:

Eken  Holberg  Krinke  Sertich

The bill was passed and its title agreed to.

**MOTIONS AND RESOLUTIONS**

Peterson moved that the name of Koenen be added as an author on H. F. No. 2397. The motion prevailed.

Abrams moved that the name of Wilkin be added as an author on H. F. No. 2929. The motion prevailed.

Seifert moved that the name of Magnus be added as an author on H. F. No. 3023. The motion prevailed.

Westrom moved that the name of Peterson be added as an author on H. F. No. 3115. The motion prevailed.

Cornish moved that the name of Harder be added as an author on H. F. No. 3152. The motion prevailed.

Kahn, Sviggum, Paulsen, Entenza and Stang introduced:

House Resolution No. 20, A House resolution congratulating the University of Minnesota women's hockey team on winning the 2004 NCAA women's hockey championship.

The resolution was referred to the Committee on Rules and Legislative Administration.
FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Knoblach announced his intention to place H. F. No. 1681 on the Fiscal Calendar for Friday, April 2, 2004.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 8:00 a.m., Friday, April 2, 2004. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 8:00 a.m., Friday, April 2, 2004.

EDWARD A. BURDICK, Chief Clerk, House of Representatives