

Sec. 33. REPEALER.

Minnesota Statutes 1998, section 62D.14, subdivision 4, is repealed.

Sec. 34. EFFECTIVE DATE.

Section 9 is effective July 1, 2001. Section 27 is effective the day following final enactment and applies to causes of action arising on or after that date.

Presented to the governor May 11, 2000

Signed by the governor May 15, 2000, 10:40 a.m.

CHAPTER 469—S.F.No. 3234

An act relating to state government; authorizing legislative governmental operations committees to formally object to administrative rules; modifying the review of proposed rules; providing for the review and repeal of certain administrative rules; creating a rules task force; providing appointments; requiring a report on teacher preparation programs; amending Minnesota Statutes 1998, sections 3.842, subdivision 4a; and 14.15, subdivision 4; Minnesota Statutes 1999 Supplement, section 14.26, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 14; repealing Minnesota Rules, parts 1200.0200; 1200.0300; 1250.0200; 1250.0300; 1250.0400; 1250.0500; 1250.0600; 1250.0700; 1250.0800; 1250.0900; 1250.1000; 1250.1100; 1250.1200; 1265.0100; 1265.0200; 1265.0300; 1265.0400; 1265.0500; 1265.0600; 1555.2205 to 1555.2410; 1555.2440 to 1555.3920; 1555.3990 to 1555.4110; 7402.0100; 7402.0200; 7401.0300; 7402.0400; and 7402.0500.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1998, section 3.842, subdivision 4a, is amended to read:

Subd. 4a. **OBJECTIONS TO RULES.** (a) For purposes of this subdivision, "committee" means the house of representatives policy committee or senate policy committee with primary jurisdiction over state governmental operations. The commission or a committee may object to a rule as provided in this subdivision. If the commission or a committee objects to all or some portion of a rule because the commission or committee considers it to be beyond the procedural or substantive authority delegated to the agency, including a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the commission or committee may file that objection in the office of the secretary of state. The filed objection must contain a concise statement of the commission's or committee's reasons for its action. An objection to a proposed rule submitted by the commission or a committee under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed before the rule is adopted.

(b) The secretary of state shall affix to each objection a certification of the date and time of its filing and as soon after the objection is filed as practicable shall transmit a

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certified copy of it to the agency issuing the rule in question and to the revisor of statutes. The secretary of state shall also maintain a permanent register open to public inspection of all objections by the commission or committee.

(c) The commission or committee shall publish and index an objection filed under this section in the next issue of the State Register. The revisor of statutes shall indicate the existence of the objection adjacent to the rule in question when that rule is published in Minnesota Rules.

(d) Within 14 days after the filing of an objection by the commission or committee to a rule, the issuing agency shall respond in writing to the commission objecting entity. After receipt of the response, the commission or committee may withdraw or modify its objection.

(e) After the filing of an objection by the commission or committee that is not subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review or for enforcement of the rule to establish that the whole or portion of the rule objected to is valid.

(f) The failure of the commission or a committee to object to a rule is not an implied legislative authorization of its validity.

(g) In accordance with sections 14.44 and 14.45, the commission or a committee may petition for a declaratory judgment to determine the validity of a rule objected to by the commission or committee. The action must be started within two years after an objection is filed in the office of the secretary of state.

(h) The commission or a committee may intervene in litigation arising from agency action. For purposes of this paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

Sec. 2. Minnesota Statutes 1998, section 14.15, subdivision 4, is amended to read:

Subd. 4. **NEED OR REASONABLENESS NOT ESTABLISHED.** If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established pursuant to section 14.14, subdivision 2, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative coordinating commission and to the house of representatives and senate policy committees with primary jurisdiction over state governmental operations for the commission's advice and comment. The agency may not adopt the rule until it has received and considered the advice of the commission and committees. However, the agency is not required to wait for the commission's advice for more than 60 days after the commission has and committees have received the agency's submission.

Sec. 3. Minnesota Statutes 1999 Supplement, section 14.26, subdivision 3, is amended to read:

Subd. 3. **REVIEW.** (a) Within 14 days, the administrative law judge shall approve or disapprove the rule as to its legality and its form to the extent that the form relates to legality, including the issues of whether the rule if modified is substantially different,

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as determined under section 14.05, subdivision 2, from the rule as originally proposed, whether the agency has the authority to adopt the rule, and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule. If the rule is approved, the administrative law judge shall promptly file three copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes and to the governor. If the rule is disapproved, the administrative law judge shall state in writing the reasons for the disapproval and make recommendations to overcome the defects.

(b) The written disapproval must be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves of the findings of the administrative law judge, the chief administrative law judge shall send the statement of the reasons for disapproval of the rule to the agency, the legislative coordinating commission, the house of representatives and senate policy committees with primary jurisdiction over state governmental operations, and the revisor of statutes and advise the agency and the revisor of statutes of actions that will correct the defects. The rule may not be filed in the office of the secretary of state, nor published, until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

(c) If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative coordinating commission and to the house of representatives and senate policy committees with primary jurisdiction over state governmental operations for the commission's advice and comment. The agency may not adopt the rule until it has received and considered the advice of the commission and committees. However, the agency is not required to wait for the commission's advice for more than 60 days after the commission has and committees have received the agency's submission.

(d) The administrative law judge shall disregard any error or defect in the proceeding due to the agency's failure to satisfy any procedural requirements imposed by law or rule if the administrative law judge finds:

(1) that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process; or

(2) that the agency has taken corrective action to cure the error or defect so that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process.

Sec. 4. [14.3691] RULE REVIEW AND LEGISLATIVE OVERSIGHT.

Subdivision 1. REPORTS. An entity whose rules are scheduled for review under this section must report to the governor and the appropriate committees of the legislature by August 1 of the year before the legislative session in which the entity's rules are scheduled for review. The speaker of the house of representatives and the

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senate committee on rules and administration shall designate the appropriate committees to receive these reports. The report must: (1) list any rules that the entity recommends for repeal; (2) list and briefly describe the rationale for rules that the entity believes should remain in effect; and (3) suggest any changes in rules that would improve the agency's ability to meet the regulatory objectives prescribed by the legislature, while reducing any unnecessary burdens on regulated parties. Any costs of preparing this report must be absorbed within funds otherwise appropriated to the entity.

Subd. 2. SCHEDULE. (a) Rules of the administration department, agriculture department, children, families, and learning department, commerce department, corrections department, economic security department, employee relations department, and health department will be reviewed before and during the legislative session in 2002. Policies and procedures of the board of trustees of the Minnesota state colleges and universities that would be rules if they were not exempt from chapter 14 will be reviewed before and during the legislative session in 2002.

(b) Rules of the environmental assistance office, board of teaching, housing finance agency, human rights department, human services department, labor and industry department, and mediation services bureau will be reviewed before and during the legislative session in 2003.

(c) Rules of the natural resources department, pollution control agency, public safety department, public service department, and revenue department will be reviewed before and during the legislative session in 2004.

(d) Rules of the state planning agency, trade and economic development department, transportation department, and veterans affairs department will be reviewed before and during the legislative session in 2005.

Subd. 3. EXPIRATION. This section expires June 30, 2005.

Sec. 5. RULES TASK FORCE.

A rules task force of eight members is created. The governor must appoint four members. The task force also includes one member each from the minority and majority caucus in the house of representatives and the senate. House members must be appointed by the speaker. Senate members must be appointed by the committee on rules and administration. The member of the majority caucus appointed by the speaker of the house of representatives must convene the first meeting. The members of the task force must elect a chair. The legislative coordinating commission and an agency designated by the governor must provide staff assistance and administrative support for the task force within existing appropriations. The task force must study and make recommendations to the governor and the legislature by January 15, 2001, on issues relating to review of agency rules. The recommendations must include, but are not limited to:

(1) a process to be used by agencies, the governor, and the legislature to identify and prioritize rules and related laws and programs that will be subject to legislative review;

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(2) a process by which the legislature will review rules and related laws and programs identified under clause (1);

(3) the estimated agency and legislative time and resources required for review of rules and related laws and programs under the processes recommended under clauses (1) and (2);

(4) the effect of possible repeal of agency rules on the state budget and any loss of benefits to citizens of the state resulting from such a repeal;

(5) the desirability of changes in the rulemaking requirements of the Administrative Procedure Act, given increased legislative scrutiny of rules; and

(6) an analysis of ways to ensure or encourage compliance with state policies and goals using methods other than rulemaking, such as administrative penalty orders, descriptive guidelines, best management practices, compliance incentives, technical assistance, training, and procedural templates.

In making its recommendations, the task force must consult with interested parties, and must consider relevant state and federal laws and commitments. The task force is subject to Minnesota Statutes, section 471.705. The task force expires June 30, 2001.

Sec. 6. **TEACHER PREPARATION PROGRAMS.**

The state board of teaching must consult with representatives of faculty and administrators from Minnesota post-secondary institutions that have teacher preparation programs. The state board of teaching must report to the governmental operations and education committees of the legislature by January 15, 2001, on these institutions' opinions on the rules relating to institution and teacher preparation program approval.

Sec. 7. **REPEALER.**

(a) Minnesota Rules parts 1200.0200, 1200.0300, 1250.0200, 1250.0300, 1250.0400, 1250.0500, 1250.0600, 1250.0700, 1250.0800, 1250.0900, 1250.1000, 1250.1100, 1250.1200, 1265.0100, 1265.0200, 1265.0300, 1265.0400, 1265.0500, and 1265.0600, are repealed.

(b) Minnesota Rules, parts 1555.2205, 1555.2210, 1555.2220, 1555.2225, 1555.2230, 1555.2240, 1555.2250, 1555.2260, 1555.2270, 1555.2280, 1555.2290, 1555.2300, 1555.2310, 1555.2320, 1555.2330, 1555.2340, 1555.2350, 1555.2360, 1555.2370, 1555.2380, 1555.2390, 1555.2400, 1555.2410, 1555.2440, 1555.2450, 1555.2460, 1555.2470, 1555.2480, 1555.2490, 1555.2500, 1555.2510, 1555.2520, 1555.2530, 1555.2540, 1555.2550, 1555.2560, 1555.2570, 1555.2580, 1555.2590, 1555.2600, 1555.2610, 1555.2620, 1555.2630, 1555.2640, 1555.2650, 1555.2660, 1555.2670, 1555.2680, 1555.2690, 1555.2700, 1555.2710, 1555.2720, 1555.2730, 1555.2740, 1555.2750, 1555.2760, 1555.2770, 1555.2780, 1555.2790, 1555.2800, 1555.2810, 1555.2820, 1555.2830, 1555.2840, 1555.2850, 1555.2860, 1555.2870, 1555.2880, 1555.2890, 1555.2900, 1555.2910, 1555.3000, 1555.3010, 1555.3020, 1555.3030, 1555.3040, 1555.3050, 1555.3060, 1555.3070, 1555.3080, 1555.3090, 1555.3100, 1555.3110, 1555.3120, 1555.3130, 1555.3140, 1555.3150, 1555.3160,

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1555.3170, 1555.3180, 1555.3190, 1555.3200, 1555.3210, 1555.3220, 1555.3230, 1555.3240, 1555.3250, 1555.3260, 1555.3270, 1555.3280, 1555.3290, 1555.3300, 1555.3310, 1555.3320, 1555.3330, 1555.3340, 1555.3350, 1555.3360, 1555.3370, 1555.3380, 1555.3390, 1555.3400, 1555.3410, 1555.3420, 1555.3430, 1555.3440, 1555.3450, 1555.3460, 1555.3470, 1555.3480, 1555.3490, 1555.3500, 1555.3510, 1555.3520, 1555.3530, 1555.3540, 1555.3550, 1555.3560, 1555.3570, 1555.3580, 1555.3590, 1555.3600, 1555.3610, 1555.3620, 1555.3630, 1555.3640, 1555.3650, 1555.3660, 1555.3680, 1555.3700, 1555.3720, 1555.3730, 1555.3750, 1555.3770, 1555.3780, 1555.3790, 1555.3800, 1555.3830, 1555.3850, 1555.3860, 1555.3870, 1555.3880, 1555.3890, 1555.3900, 1555.3910, 1555.3920, 1555.3990, 1555.4000, 1555.4100, and 1555.4110, are repealed.

(c) Minnesota Rules parts 7402.0100, 7402.0200, 7402.0300, 7402.0400, and 7402.0500, are repealed.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 3, 5, and 6 are effective the day following final enactment. Section 7, paragraphs (a) and (b) are effective July 1, 2000.

Presented to the governor May 11, 2000

Signed by the governor May 15, 2000, 10:42 a.m.

CHAPTER 470—H.F.No. 3534

An act relating to agriculture; changing certain requirements and enforcement procedures for agricultural contracts; amending Minnesota Statutes 1998, sections 17.90, subdivision 4, and by adding subdivisions; and 17.91; proposing coding for new law in Minnesota Statutes, chapter 17.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1998, section 17.90, is amended by adding a subdivision to read:

Subd. 1a. **AGRICULTURAL CONTRACT.** "Agricultural contract" means any written contract between a contractor and a producer.

Sec. 2. Minnesota Statutes 1998, section 17.90, is amended by adding a subdivision to read:

Subd. 3a. **LEGIBLE TYPE.** "Legible type" means a typeface at least as large as ten-point modern type, one-point leaded.

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