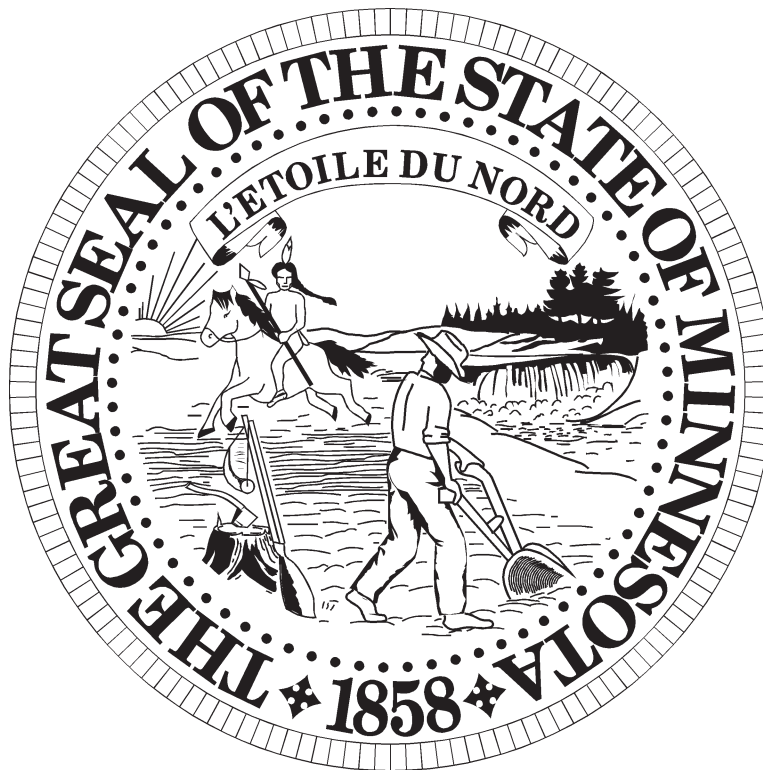


State of Minnesota

# State Register



**Rules, Executive Orders, Appointments,  
Commissioners' Orders, Revenue Notices, Official Notices, Grants,  
State Contracts & Loans, Non-State Bids, Contracts & Grants**

Published every Monday (Tuesday when Monday is a holiday)

**Monday 2 June 2008  
Volume 32, Number 49  
Pages 2119 - 2168**

# State Register

## Judicial Notice Shall Be Taken of Material Published in the *State Register*

The *State Register* is the official publication of the State of Minnesota, published weekly to fulfill the legislative mandate set forth in *Minnesota Statutes* § 14.46. The *State Register* contains:

- rules of state agencies
- commissioners' orders
- state grants and loans
- executive orders of the governor
- revenue notices
- contracts for professional, technical and consulting services
- non-state public bids, contracts and grants
- appointments
- official notices

### Printing Schedule and Submission Deadlines

Vol. 32 Issue Number	PUBLISH DATE ( <b>BOLDFACE</b> shows altered publish date)	Deadline for: Emergency Rules, Executive and Commissioner's Orders, Revenue and Official Notices, State Grants, Professional-Technical-Consulting Contracts, Non-State Bids and Public Contracts	Deadline for Proposed, Adopted and Exempt RULES
# 49	Monday 2 June	Noon Tuesday 27 May	Noon Wednesday 21 May
# 50	Monday 9 June	Noon Tuesday 3 June	Noon Wednesday 28 May
# 51	Monday 16 June	Noon Tuesday 10 June	Noon Wednesday 4 June
# 52	Monday 23 June	Noon Tuesday 17 June	Noon Wednesday 11 June

**PUBLISHING NOTICES:** Submit ONE COPY of your notice, typed double-spaced. State agency submissions must include a "State Register Printing Order" form, and a "Certification/Internal Contract Negotiation" form with contracts for professional, technical and consulting services. Non-State Agencies should submit ONE COPY, IN ELECTRONIC FORMAT, with a letter on your letterhead stationery requesting publication and date to be published. **E-MAIL** submissions to: [robin.panlener@state.mn.us](mailto:robin.panlener@state.mn.us) [FAX to: (651) 297-8260. You **MUST follow FAX** by sending originals and applicable forms or letters via E-mail. We need to receive your submission electronically.

We charge \$14.40 per tenth of a page (columns are seven inches wide). One typewritten, double-spaced page is about 4/10s of a page in the *State Register*, or \$57.60. About 2-1/2 pages typed, double-spaced, on 8-1/2"x11" paper equals one typeset page in the *State Register*. Contact the editor if you have questions, by calling (651) 297-7963, or e-mail: [robin.panlener@state.mn.us](mailto:robin.panlener@state.mn.us).

**SUBSCRIPTION SERVICES:** Copies are available at Minnesota's Bookstore, 660 Olive Street, St. Paul, MN 55155. Order by phone: Metro area: (651) 297-3000 Toll free (800) 657-3757. TTY relay service phone number: (800) 627-3529. **NO REFUNDS.** E-mail subscriptions are available by contacting (651) 297-8777. Send address changes to Minnesota's Bookstore, 660 Olive Street, St. Paul, Minnesota 55155.

SEE THE *State Register* free at **website:** <http://www.minnesotasbookstore.com>

- **State Register: On-line subscription** – \$180, includes LINKS, INDEX, "Contracts and Grants" special section, Sidebar Table of Contents, and Early View *via E-mail*.
- **Single issues** are available for a limited time: *State Register* \$5.00.
- "Affidavit of Publication" costs \$10.00 and includes a notarized "Affidavit" and a copy of the issue.

Copyright © 2008 Materials Management Division, Department of Administration, State of Minnesota.

USPS Publication Number: 326-630 (ISSN: 0146-7751)

THE *STATE REGISTER* IS PUBLISHED by Materials Management Division, Department of Administration, State of Minnesota, pursuant to *Minnesota Statutes* § 14.46 and is available at main branch county libraries in Minnesota and all "State Depository Libraries:" State University and Community College libraries; University of Minnesota libraries; St. Paul, Minneapolis and Duluth Public Libraries; Legislative Reference Library; State Law Library; Minnesota Historical Society Library; and Library Development Service at the State Department of Education.

Tim Pawlenty, Governor (651) 296-3391  
Carol L. Molnau, Lt. Governor (651) 296-3391  
Lori Swanson, Attorney General (651) 297-4272  
Rebecca Otto, State Auditor (651) 297-3670  
Mark Ritchie, Secretary of State (651) 296-2079

Department of Administration:  
Dana B. Badgerow, Commissioner (651) 296-1424  
Materials Management Division:  
Kent Allin, Director (651) 201-2400  
Mary Mikes, Manager (651) 297-3979

*State Register:*  
Robin Panlener, editor (651) 297-7963  
John Mikes, assistant editor (651) 297-4616  
Cathy Hoekstra, subscriptions (651) 297-8777  
Bonnie Karels, billing (651) 296-4912

### Minnesota Legislative Information

Senate Public Information Office (651) 296-0504  
State Capitol, Room 231, St. Paul, MN 55155  
Website: [www.senate.mn](http://www.senate.mn)

House Public Information Services (651) 296-2146  
State Office Building, Room 175,  
100 Rev. Dr. Martin Luther King Jr Blvd., St. Paul, MN 55155  
Website: [www.house.leg.state.mn.us/hinfo/hinfo.htm](http://www.house.leg.state.mn.us/hinfo/hinfo.htm)

### Minnesota State Court System

Court Information Office (651) 296-6043  
MN Judicial Center, Rm. 135, 25 Rev. Dr. Martin Luther King Jr Blvd.,  
St. Paul, MN 55155 Website: [www.mncourts.gov](http://www.mncourts.gov)

### Federal Register

Office of the Federal Register (202) 512-1530; or (888) 293-6498  
U.S. Government Printing Office – Fax: (202) 512-1262  
Website: <http://www.gpoaccess.gov/fr/index.html>

## Minnesota Rules: Amendments & Additions

Rules Index - Vol. 32, # 41-49, Monday 2 June 2008 ..... 2090

## Proposed Rules

### Accountancy Board

Proposed Permanent Rules Relating to Board of Accountancy..... 2123

## Executive Orders

### Office of the Governor

Emergency Executive Order # 08-09: Declaring a State of Emergency..... 2143

## Official Notices

Get the Most from the Official Notices..... 2144

## Agricultural Society, Minnesota State (STATE FAIR)

Meeting of the Board of Managers June 6, 2008..... 2145

## Employment and Economic Development Department (DEED)

June Public Forum on Employment Services for Persons with Disabilities... 2145

## Health Department (MDH)

Division of Health Policy: Intent to Adopt Exempt Rules  
Regarding Technical Changes to the Uniform, Standard Companion  
Guide for Eligibility Inquiry and Response Electronic Transactions..... 2145

## Human Services Department (DHS)

**Minnesota Board on Aging, Aging and Adult Services Division:**  
Request for Comment on Proposed Minnesota State Plan on Aging  
FFY 2009-2012..... 2147

## Health Care Purchasing and Delivery Systems Division,

**Health Care Administration:** Public Notice of Maximum  
Allowable Costs of Medical Assistance Outpatient Prescribed Drugs..... 2147

## Natural Resources Department (DNR)

Hearing on Sale of State Land..... 2148  
Identification of Known Calcareous Fens Order No. 08-001..... 2148

## Racing Commission

REQUEST FOR COMMENTS on Possible Amendment to Rules  
Governing Horse Racing; Class C Licenses; Security Officers;  
Horse Examinations; Medical Testing; Breeders' Fund..... 2154

## Transportation Department

### Planning, Modal and Data Management Division,

**Office of Investment Management:** Solicitation for Public Review  
and Comment on the Draft State Transportation Improvement Program  
(STIP) for State Fiscal Years 2009-2010-2011-2012..... 2155

## State Grants & Loans

### Health Department (MDH)

#### Environmental Health Division:

Request for Proposals for Indoor Radon Grant..... 2156

## State Contracts

How to Work with Contracts..... 2157

## Administration Department (Admin)

### Real Estate Management Division

State Real Property in Gilbert, Minnesota for Sale..... 2158

### University of Minnesota and Minnesota State Colleges and Universities:

Availability of Request for Proposal (RFP) for Designer Selection  
for Livingston Lord Library..... 2158

### Transportation Department:

Availability of Request for Proposal (RFP) for Designer Selection for:  
MNDOT / Carver County: Chaska Truck Station..... 2158

## Colleges and Universities, Minnesota State (MnSCU)

Request for Proposal for Hosted Student and  
Alumni Electronic Mail and Productivity System..... 2159

### Inver Hills Community College:

Advertisement for Bids for Classroom Addition and Renovation..... 2159

### Minneapolis Community and Technical College:

Intent to Request Bids for Light Remodeling of 3,450 SF on the  
Minneapolis Community & Technical College Campus..... 2160

### Minnesota West Community and Technical College:

Request for Bids for Parking Lot Repairs..... 2161

### Minnesota West Community and Technical College:

Request for Proposal for Banking Services..... 2161

### St. Cloud Technical College:

Formal Request for Bid for Four Trailers..... 2162

### South Central College:

Call for Bids for Flatpanel Television Specifications..... 2162

## Minnesota State Lottery

Request for Proposals for Sponsorship Agreements..... 2163

## Natural Resources Department (DNR)

Availability of Contract for Bear Lake..... 2164

## Office of the Revisor of Statutes

Request for Indexing Services..... 2164

## Department of Transportation (Mn/DOT)

### Engineering Services Division:

Potential Availability of Contracting Opportunities for a  
Variety of Highway Related Technical Activities  
("Consultant Pre-Qualification Program")..... 2165

### Engineering Services Division:

Professional/Technical Contract Opportunities..... 2165

## Non-State Bids, Contracts & Grants

### Metropolitan Council

Intent to Procure Polymer..... 2166

Invitation for Bids (IFB) for Metro SMB FBR Activated Carbon..... 2167

### University of Minnesota (U of M)

Subscribe to Bid Information Service (BIS)..... 2167

Contracts information is available from the Materials Management  
Helpline (651) 296-2600, or Web site: [www.mmd.admin.state.mn.us](http://www.mmd.admin.state.mn.us)

State Register information is available from Minnesota's Bookstore  
(651) 297-3000, or (800) 657-3757, Web site:  
[www.minnesotasbookstore.com](http://www.minnesotasbookstore.com)

# Minnesota Rules: Amendments and Additions

## NOTICE: How to Follow State Agency Rulemaking in the State Register

The *State Register* is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the *State Register*. Published every Monday, the *State Register* makes it easy to follow and participate in the important rulemaking process. Approximately 80 state agencies have the authority to issue rules. Each agency is assigned specific **Minnesota Rule** chapter numbers. Every odd-numbered year the **Minnesota Rules** are published. The current 1999 set is a 13-volume bound collection of all adopted rules in effect at the time. Supplements are published to update this set of rules. Generally speaking, proposed and adopted exempt rules do not appear in this set because of their short-term nature, but are published in the *State Register*.

An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* §§ 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, or within 60 days of the effective date of any new statutory grant of required rulemaking.

When rules are first drafted, state agencies publish them as **Proposed Rules**, along with a notice of hearing, or a notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules and withdrawn proposed rules are also published in the *State Register*. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the *State Register* as **Adopted Rules**. These final adopted rules are not printed in their entirety in the *State Register*, only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the *State Register*, the issue the rule appeared in as proposed, and later as adopted. For a more detailed description of the rulemaking process, see the most current edition of the *Minnesota Guidebook to State Agency Services*.

The *State Register* features partial and cumulative listings of rules in this section on the following schedule: issues #1-13 inclusive; issues #14-25 inclusive; issue #26 cumulative for issues #1-26; issues #27-38 inclusive; issue #39, cumulative for issues #1-39; issues #40-51 inclusive; and issues #1-52 (or 53 in some years), cumulative for issues #1-52 (or 53). An annual subject matter index for rules was separately printed usually in August, but starting with Volume 19 now appears in the final issue of each volume. For copies or subscriptions to the *State Register*, contact Minnesota's Bookstore, 660 Olive Street (one block east of I-35E and one block north of University Ave), St. Paul, MN 55155 (612) 297-3000, or toll-free 1-800-657-3757.

### Minnesota Rules Index:

**Volume 32 - Issues # 41- 49: April 7 - June 2, 2008**  
(Cumulative Index for July 2007 - March 2008 can be found in the issue dated March 31, 2008 32 SR 1804)

#### Accountancy Board

1105.0100; .0200; .0250; .0600; .1000; .1100; .1200; .1650; .1800; .2000; .2200; .2400; .2450; .2500; .2550; .2900; .3000; .3100; .3200; .3300; .3400; .3500; .3600; .3700; .3800; .3900; .4000; .4100; .4150; .4200; .4500; .4600; .4700; .4800; .5000; .5100; .5200; .5400; .5600; .5900; .6200; .6300; .6400; .6550; .6600; .7000; .7200; .7450; .7500; .7800; .7850; .7900	
(proposed).....	2123
1105.0100, s. 17; .2000, s. 3; .4250; .5000, s. 2; .7600	
(proposed repealer).....	2123
1105.5800, change the reference to part 1105.4300 to 1105.5400 (proposed changed numbering).....	2123

#### Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design

1800.3505 (proposed).....	1961
---------------------------	------

#### Labor & Industry Department - State Building Code

1301.1300; .1310; .1400; .1500; .1600 (adopted).....	1933
--	------

#### Human Services Department

3400.0020; .0035; .0040; .0060; .0080; .0090; .0100; .0110; .0120; .0130; .0140; .0170; .0180; .0183; .0185; .0187; .0200; .0230; .0235 (proposed).....	1965
3400.0020 s. 32a; .0080 s. 1; .0090 s. 7; .0110 s. 4; .0120 s. 1b; .0140 s. 5a, 19; .0183 s. 3, 4; .0187 s. 1a, 5; .0210; .0230 s. 1, 2; .0235 s. 7 (proposed repealer).....	1965

#### Labor and Industry Department

5205.0010 (proposed exempt).....	1982
----------------------------------	------

#### Natural Resources Department (DNR)

6232.2800; .2900; .3055; .3100 (adopted expedited emergency).....	1845
6232.3700; .3800; .3855 (adopted expedited emergency).....	2021
6236.1060; .1070 (adopted expedited emergency).....	1846
6236.1060 [32 SR 803, November 5, 2007] (expedited emergency repealed).....	1846
6264.0050 (adopted exempt).....	2051
6264.0400 (adopted expedited emergency).....	1987
6264.0400 s. 4, published in the <i>State Register</i> , volume 31, page 1643, May 7, 2007, (repealed).....	1987

#### Public Safety Department

7470.0500; .0700; .1000; .1100; .1400; .1500; .1700 (adopted exempt).....	1983
---	------

#### Secretary of State

8200.1100; .1200; .4000; .5100; .5400; .6200; .9115; .9315; .9939; .9940; 8210.9960; .0050; .0100; .0200; .0500; .0600; .0700; .0800; .2200 (adopted).....	2055
8200.5100, Subpart 1. E; .5100, Subpart 4; .9939 – portions of the Form of Oath related to employees of a residential facility (vetoed).....	2060
8210.0200, s. 1, 1a, 1c, 1d, 2, 4a, 6; .0600, s. 4, 4a, (repealed).....	2055

#### Human Services Department

9505.0391 (proposed).....	2052
---------------------------	------

# Proposed Rules

**Comments on Planned Rules or Rule Amendments.** An agency must first solicit Comments on Planned Rules or Comments on Planned Rule Amendments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* §§ 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

**Rules to be Adopted After a Hearing.** After receiving comments and deciding to hold a public hearing on the rule, an agency drafts its rule. It then publishes its rules with a notice of hearing. All persons wishing to make a statement must register at the hearing. Anyone who wishes to submit written comments may do so at the hearing, or within five working days of the close of the hearing. Administrative law judges may, during the hearing, extend the period for receiving comments up to 20 calendar days. For five business days after the submission period the agency and interested persons may respond to any new information submitted during the written submission period and the record then is closed. The administrative law judge prepares a report within 30 days, stating findings of fact, conclusions and recommendations. After receiving the report, the agency decides whether to adopt, withdraw or modify the proposed rule based on consideration of the comments made during the rule hearing procedure and the report of the administrative law judge. The agency must wait five days after receiving the report before taking any action.

**Rules to be Adopted Without a Hearing.** Pursuant to *Minnesota Statutes* § 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing. An agency must first solicit **Comments on Planned Rules or Comments on Planned Rule Amendments** from the public. The agency then publishes a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

**KEY: Proposed Rules** - Underlining indicates additions to existing rule language. ~~Strikeouts~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **Adopted Rules** - Underlining indicates additions to proposed rule language. ~~Strikeout~~ indicates deletions from proposed rule language.

## Minnesota State Board of Accountancy

### Proposed Permanent Rules Relating to Board of Accountancy

#### DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, And Notice of Hearing If 25 or More Requests For Hearing Are Received

#### Proposed Amendment to Permanent Rules Governing Licensing and Regulation of Accountants, *Minnesota Rules Chapter 1105*

**Introduction.** The Board of Accountancy intends to adopt rules without a public hearing following the procedures set forth in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on July 9, 2008, a public hearing will be held in the Golden Rule Conference Room #295, Golden Rule Building, 85 East Seventh Place, St. Paul, MN 55101, starting at 9:00 AM on Tuesday, July 22, 2008. To find out whether the rules will be adopted without a hearing or if the hearing will be held, you should contact the agency contact person after July 9, 2008 and before July 22, 2008.

**Agency Contact Person.** Comments or questions on the rules and written requests for a public hearing on the rules must be submitted to the agency contact person. The agency contact person is: Doreen Frost, Executive Director, Board of Accountancy, Suite 125, 85 E. Seventh Place, St. Paul, MN, 55101, **Telephone:** (651) 296-7937, **TTY:** (651) 297-5353.

**Subject of Rules and Statutory Authority.** The proposed rules seek to amend the Board's permanent rules governing licensing and regulation of accountants. The statutory authority to adopt the rules is *Minnesota Statutes*, section 326A.02, as amended (2008 *Minnesota Laws*, Chapter 195). A copy of the proposed rules is published in the *State Register* and attached to this notice as mailed. The Board's Statement of Need and Reasonableness and proposed rules are posted on the Board's website at [www.boa.state.mn.us](http://www.boa.state.mn.us).

The proposed amendments to the permanent rules are being made to:

- Update the rules for changes made necessary by amendments to *Minnesota Statutes*, chapter 326A (2008 *Minnesota Laws*, Ch. 195),
- Make changes in the rules to adopt changes made in the Uniform Accountancy Act Statute and Rules since the rules were last amended in 2005,
- Update the rules for changes in professional standards applicable to licensees, and
- Clarify the rules as a result of questions and comments received by the Board since the rules were last amended in 2005.

# Proposed Rules

---

Persons affected, and who will bear the cost of the rules include:

- (a) Applicants for the CPA Examination,
- (b) Certified Public Accountants,
- (c) Licensees,
- (d) CPA Firms, and
- (e) Registered Accounting Practitioners and RAP Firms.

It is not anticipated that there will be significant costs to the Board or any other state agency as a result of the rules. The rules will not affect state revenues.

**Comments.** You have until 4:30 p.m. on July 9, 2008, to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change that you desire. You must also make any comments about the legality of the proposed rules during this comment period.

**Request for a Hearing.** In addition to submitting comments, you may also request that the Department hold a hearing on the rules. You must make your request for a public hearing in writing and must be received by the agency contact person by 4:30 p.m. on July 9, 2008. You must include your name and address in your written request. In addition, you must identify the portion of the proposed rules that you object to or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and the agency cannot count it when determining whether it must hold a public hearing. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

**Withdrawal of Requests.** If 25 or more persons submit a valid written request for a hearing, the Board will hold a public hearing unless a sufficient number of persons withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

**Alternative Format/Accommodation.** Upon request, the Board can make this Notice available in an alternative format, such as large print, Braille, or cassette tape. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

**Modifications.** The Board may modify the proposed rules, either as a result of public comment or as a result of the rule hearing process. It must support modifications by data and views submitted to the agency or presented at the hearing. The adopted rules may not be substantially different than these proposed rules unless the Board follows the procedure under *Minnesota Rules*, part 1400.2110. If the proposed rules affect you in any way, the Board encourages you to participate in the rulemaking process.

**Cancellation of Hearing.** The Board will cancel the hearing scheduled for July 22, 2008, if the Board does not receive requests for a hearing from 25 or more persons. If you requested a public hearing, the Board will notify you before the scheduled hearing whether the hearing will be held. You may also call the Board contact person at (651) 296-7937 after July 9, 2008 to find out whether the hearing will be held.

**Notice of Hearing.** If 25 or more persons submit valid written requests for a public hearing on the rules, the Board will hold a hearing following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The Board will hold the hearing on the date and at the time and place listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge Barbara L. Neilson is assigned to conduct the hearing. Judge Neilson can be reached at the Office of Administrative Hearings, P.O. Box 64620, St. Paul, Minnesota 55164-0620, **telephone:** (651) 361-7845, and **Fax:** (651) 361-7936.

**Hearing Procedure.** If the Board holds a hearing, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the hearing record closes. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. At the hearing the Administrative Law Judge may order that this five-day comment period is extended for a longer period but not more than 20

---

---

# Proposed Rules

calendar days. Following the comment period, there is a five-working-day rebuttal period when the Board and any interested person may respond in writing to any new information submitted. No one may submit additional evidence during the five-day rebuttal period. The Office of Administrative Hearings must receive all comments and responses submitted to the Administrative Law Judge no later than 4:30 p.m. on the due date. All comments or responses received will be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by *Minnesota Rules*, parts 1400.2000 to 1400.2240, and *Minnesota Statutes*, sections 14.131 to 14.20. You may direct questions about the procedure to the Administrative Law Judge.

The Board requests that any person submitting written views or data to the Administrative Law Judge before the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the Board contact person at the address stated above.

**Statement of Need and Reasonableness.** The statement of need and reasonableness statement contains a summary of the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. It is now available from the Board contact person or on the Board's website. You may review or obtain copies at the cost of reproduction by contacting the Board contact person.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Ask any questions about this requirement of the Campaign Finance and Public Disclosure Board at: Suite 190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone: (651) 296-5148 or 1-800-657-3889.

**Adoption Procedure if No Hearing.** If no hearing is required, the Board may adopt the rules after the end of the comment period. The Board will submit the rules and supporting documents to the Office of Administrative Hearings for review for legality. You may ask to be notified of the date the rules are submitted to the office. If you want either to receive notice of this, to receive a copy of the adopted rules, or to register with the agency to receive notice of future rule proceedings, submit your request to the Board contact person listed above.

**Adoption Procedure After a Hearing.** If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date that the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date that the agency adopts the rules and the rules are filed with the Secretary of State by requesting this at the hearing or by writing to the agency contact person stated above.

**Order.** I order that the rulemaking hearing be held at the date, time, and location listed above.

Dated: May 21, 2008

Doreen Frost, Executive Director  
Board of Accountancy

## 1105.0100 DEFINITIONS.

[For text of subs 1 to 9, see M.R.]

Subp. 9a. **Licensee.** In addition to the definition in *Minnesota Statutes*, section 326A.01, subdivision 9, a "licensee" for purposes of parts 1105.1200, 1105.5600, 1105.5800, and 1105.7800, and *Minnesota Statutes*, sections 326A.08, 326A.10, and 326A.13, can also be a person issued a certificate as a certified public accountant under the law of any other state who is rendering services in this state according to *Minnesota Statutes*, section 326A.04 or 326A.14, or an entity issued a permit as a CPA firm under the law of any other state who is rendering services in this state according to *Minnesota Statutes*, section 326A.05.

[For text of subs 10 and 11, see M.R.]

Subp. 11a. **Professional engagement.** "Professional engagement" means an agreement between a client and a licensee relative to the performance of professional services and the services performed under the agreement.

Subp. 11b. **Professional services.** "Professional services" means services that require the specialized knowledge or skills associated with certified public accountants or persons registered under *Minnesota Statutes*, section 326A.06, paragraph (b), including:

- A. issuing reports on financial statements;
- B. providing management or financial advisory or consulting services;
- C. preparing tax returns;
- D. providing advice in tax matters; or
- E. other services performed under a professional engagement.

Subp. 12. **Quality review.** "Quality review" means a peer review as required by *Minnesota Statutes*, section 326A.05, subdivision 8. Quality review also means a an independent study, appraisal, or review of one or more aspects of the attest or compilation professional

# Proposed Rules

~~work services~~ of a licensee ~~or CPA firm~~ that issues attest or compilation reports, or the professional work of a person registered under *Minnesota Statutes*, section 326A.06, paragraph (b); The reviews must be conducted according to standards approved by the board by a person or persons who hold certificates with an active status and who are not affiliated with the licensee or CPA firm being reviewed or by reviewers approved by the board.

[For text of subs 13 to 16, see M.R.]

Subp. 17. [See repealer.]

## 1105.0200 INTERPRETATION OF RULES.

[For text of subpart 1, see M.R.]

Subp. 2. **Other statutory authority.** Nothing contained in this chapter prohibits or limits in any way the exercise by the board of powers granted to it by *Minnesota Statutes*, sections 214.001 to 214.12, ~~319A.01 to 319A.22~~, and 326.53, and chapter 326A.

[For text of subs 3 and 4, see M.R.]

## 1105.0250 INCORPORATION BY REFERENCE.

A. For purposes of this chapter, the documents dated June 1, ~~2005~~ 2007, in item B; the documents dated June 1, ~~2005~~ 2007, in item C; the document as of ~~December 2007 and~~ copyrighted ~~2005~~ 2008 in item D; ~~and the 2003 January 2007 revision, as further amended through May 2005~~; of the document in item E; the document dated October 2006, in item F; the document dated June 1, 2007, in item G; ~~and the document dated June 30, 2007, in item H~~; are incorporated by reference to the extent other provisions of this chapter and *Minnesota Statutes* do not modify or conflict with the provisions of the documents, in which case the provisions of this chapter and *Minnesota Statutes* shall prevail. They can be found at the State Law Library and are subject to frequent change.

B. The following documents are published by and available from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036:

- (1) AICPA Code of Professional Conduct;
- (2) Statements on Quality Control Standards;
- (3) ~~Statements Standards~~ for Performing and Reporting on Peer Reviews; and
- (4) ~~Statement on~~ Standards for Continuing Professional Education (CPE) Programs. The Code of Professional Conduct and the other statements and standards identified above in this item are published in the document identified in item C, subitem (2).

[For text of item C, see M.R.]

D. The following document is published by and available from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036: PCAOB Standards and Related Rules, ~~copyright 2005~~.

E. The following document is published by and available from the United States General Accounting Office, Washington, DC 20548: Government Auditing Standards: ~~2003~~ July 2007 revision.

F. The following document is published by the National Association of State Boards of Accountancy, Nashville, TN: NASBA Model Code of Conduct.

G. The following document is published by the Financial Accounting Standards Board, Norwalk, CT: Accounting Standards-Current Text, Volumes I and II.

H. The following document is published by the Governmental Accounting Standards Board, Norwalk, CT: Codification of Governmental Accounting and Financial Reporting Standards.

## 1105.0600 FEES.

The following fees apply:

- A. initial issuance of certificate, \$50;
- B. renewal of certificate with an active status, \$45 per year;
- C. initial CPA firm permits, except for sole practitioners, \$100;
- D. renewal of CPA firm permits, except for sole practitioners and those firms specified in item Q, \$35 per year;
- E. initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in item Q, \$35 per year;
- F. annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, \$50;
- G. copies of records, per page, 25 cents;
- H. registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, \$45 per year;
  - I. applications for reinstatement, \$20;
  - J. initial registration of a registered accounting practitioner, \$50;
  - K. initial registered accounting practitioner firm permits, \$100;
  - L. renewal of registered accounting practitioner firm permits, except for sole practitioners, \$35 per year;

- M. renewal of registered accounting practitioner firm permits for sole practitioners, \$35 per year;
- N. ~~computer-based~~ CPA examination application, \$40;
- O. ~~computer-based~~ CPA examination, fee determined by third-party examination administrator;
- P. *Minnesota Statutes*, section 326A.14, practice privilege application, \$45; and
- Q. renewal of certificates with an inactive status, \$10: per year; and
- Q. renewal of CPA firms permits for firms that have one or more offices located in another state, \$68 per year.

## 1105.1000 PRORATING FEES.

Certificate, permit, or registration fees pertain to a calendar year specified initial or renewal period and must not be prorated.

## 1105.1100 OBLIGATION OF LICENSEES AND REGISTRANTS TO NOTIFY THE BOARD OF CHANGES OF ADDRESS AND OTHER INFORMATION.

Each licensee or registrant shall notify the board in writing within 30 days of any change of address and, in the case of individual licensees or registrants, change of employment. In addition, each licensee and registrant shall ~~annually~~ notify the board of correct business and home addresses and telephone and facsimile numbers in connection with the renewal of the certificate, permit, or registration.

## 1105.1200 COMMUNICATIONS.

An applicant, licensee, or registrant shall respond to communications from the board, committees of the board, or the attorney general on behalf of the board within 30 days of the mailing of communications, unless an earlier response is requested within the communications. An applicant, licensee, or registrant shall appear before the board, committees of the board, or the attorney general on behalf of the board when requested to do so and provide copies of all pertinent records, including handwriting samples, to assist the board in its deliberations. Communications must be addressed to “Executive ~~Secretary~~ Director, Board of Accountancy.” An applicant, licensee, or registrant shall sign an authorization letter giving the board access to information relating to a board investigation that is held by any federal, state, or other local government agency, or professional organization, the subject matter of which pertains to conduct as described in *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clause (10), when requested to do so by the board or by the attorney general on behalf of the board.

## 1105.1650 EARLY APPLICATION AND EXAMINATION PROVISIONS.

A. Notwithstanding the requirements in parts 1105.1500, subpart 1, and 1105.1600, subpart 2, and as provided for by *Minnesota Statutes*, section 326A.03, subdivision 3a, an applicant for the examination may:

(1) make application for the examination within 180 days prior to the anticipated completion of the education requirements contained in part 1105.1500 and *Minnesota Statutes*, section 326A.03, subdivision 3; and

(2) sit for part or all of the examination within 90 days prior to the anticipated completion of the education requirements contained in part 1105.1500 and *Minnesota Statutes*, section 326A.03, subdivision 3, provided that:

(a) the applicant has met all the requirements for sitting for the examination contained in part 1105.1600, except for obtaining the final official transcript containing proof the applicant has completed the education requirements contained in part 1105.1500 and *Minnesota Statutes*, section 326A.03, subdivision 3;

(b) the applicant submits a transcript containing courses completed and a listing of courses which are going to be completed by the applicant to meet the education requirements contained in part 1105.1500 and *Minnesota Statutes*, section 326A.03, subdivision 3; and

(c) the applicant has paid all required fees for the examination and is otherwise qualified to sit for the examination.

B. No credit shall be given for any part of the examination taken before completion of the education requirements contained in part 1105.1500 and *Minnesota Statutes*, section 326A.03, subdivision 3, if the education requirements are not met within 120 days subsequent to first sitting for any part of the examination and a final transcript containing proof that the applicant has completed the education requirements as required by part 1105.1600, subpart 2, is not received by the board or examination administrator within 150 days of the applicant first sitting for any part of the examination.

C. Examination related fees required by parts 1105.0600 and 1105.2100 shall not be refunded if the applicant does not submit a final transcript within the 150-day period required in item B.

## 1105.1800 EXAMINATION CONTENT.

[For text of subpart 1, see M.R.]

Subp. 2. **Ethics.** A written or computer-based examination on professional ethics, as specified by the board, is required before ~~issuance~~ of application for a certificate. A grade of at least 75 percent correct is required to pass the ethics examination, and the examination must have been completed within two years preceding initial ~~issuance of application~~ for the certificate.

# Proposed Rules

[For text of subp 3, see M.R.]

## **1105.2000 RETAKE AND ~~CONDITIONING POLICIES~~ GRANTING OF CREDIT REQUIREMENTS.**

Subpart. 1. [Repealed, 28 SR 1636]

Subp. 2. ~~Computer-based examination~~ **Examination requirements.** An applicant may take the required examination sections individually and in any order. ~~The applicant shall retain conditional credit for any section or sections passed for 18 months, without having to attain a minimum score on any failed section or sections and without regard to whether the applicant has taken other sections. Credit for any section passed shall be valid for 18 months from the actual date the applicant took that section, without having to attain a minimum score on any failed section and without regard to whether the applicant has taken other sections, regardless of the date the applicant actually receives notice of the passing grade.~~ In addition:

[For text of items A and B, see M.R.]

Subp. 3. [See repealer.]

Subp. 4. **Other states.** An applicant shall ~~be given~~ retain credit, if approved by the board according to part 1105.1900, for sections of an examination passed in another state if the credit would have been given, under then applicable requirements, if the applicant had taken the examination in this state.

[For text of subp 5, see M.R.]

## **1105.2200 CHEATING.**

[For text of subpart 1, see M.R.]

Subp. 2. **Actions constituting cheating.** For purposes of this part, the following actions or attempted activities, among others, may be considered cheating:

[For text of items A to C, see M.R.]

D. substitution of another person to sit in the test site in the place of a candidate; ~~and~~

E. reference to crib sheets, textbooks, or other material, ~~inside or outside of the test site,~~ other than that provided to the candidate by the examination administrator as part of the examination while the candidate is taking the examination; ~~and~~

E. retaking or attempting to retake a section by an individual holding a valid certificate or by an applicant who has unexpired credit for having passed the same section, unless the board has expressly authorized the individual or applicant to retake the section.

[For text of subps 3 to 5, see M.R.]

Subp. 6. **Findings.** In any case in which a candidate is refused credit for a section of the examination taken, or is disqualified from taking other sections, the board shall give the candidate a statement containing its findings, the evidence upon which the findings are based, and a notice of the right of the candidate to a formal hearing by the board, with right of appeal, pursuant to the procedures in *Minnesota Statutes*, section 326A.08, subdivision 6.

[For text of subp 7, see M.R.]

Subp. 8. **Disclosure of examination questions.** The board may impose disciplinary action, as provided for in *Minnesota Statutes*, section 326A.08, subdivision 5, against an applicant, licensee, or certificate holder who discloses examination questions to any other entity or person, with or without compensation, or aids or abets another in obtaining examination questions.

## **1105.2400 EMERGENCY EXAMINATION PROCEDURES.**

When circumstances exist making it impossible for the board or examination administrator to conduct the examination at the time, date, or place scheduled or make it impossible for a majority of examination candidates to attend the examination at the time, date, or place scheduled, the board shall waive ~~certain rules parts 1105.0600, items N and O; 1105.1600, subpart 3; 1105.1700; and 1105.2000, subpart 2;~~ to avoid hardship on examination candidates affected. ~~These rules are parts 1105.0600, items N and O; 1105.1600, subpart 3; and 1105.1700.~~ The circumstances include notice to the board of the unavailability of the examination site with insufficient time to give notice to examination candidates; weather emergencies as declared by the governor, the governor's designees, or those state officials empowered to close public highways; civil disturbances; natural disasters; and other causes that affect the board's or examination administrator's ability to fairly administer the examination.

## **1105.2450 GOOD MORAL CHARACTER.**

A. Applicants have the burden of demonstrating good moral character as defined by *Minnesota Statutes*, section 326A.03, subdivision 1, in the manner specified by the board in its application forms.

B. Prima facie evidence of a lack of good moral character includes:

(1) any deferred prosecution agreement involving an admission of wrongdoing, or any criminal conviction, including conviction following a guilty plea or plea of nolo contendere, for any felony or any crime, an essential element of which is fraud, dishonesty, or deceit, or any other crime that evidences an unfitness of the applicant to practice public accountancy in a competent manner and consistent with

the public safety:

(2) revocation of any license or other authority to practice by or before any state, federal, foreign, or other licensing or regulatory authority; or

(3) any act which would be grounds for revocation or suspension of a license if committed by a licensee of the board.

C. Factors the board may consider in determining rehabilitation of moral character include the following:

(1) completion of criminal probation, restitution, community service, military, or other public service;

(2) the passage of time without the commission of any further crime or act demonstrating a lack of moral character under item

B; or

(3) the expungement of any conviction or reduction of a conviction from a felony to misdemeanor.

## **1105.2500 APPLICATIONS FOR CERTIFICATES.**

A. Applications for initial certificates and for renewal of certificates pursuant to the act must be made on a form provided by the board and, in the case of applications for renewal, must be filed no later than the expiration date set by the act or this chapter. Applications are not considered filed until the applicable fee prescribed in this chapter is received. If an application for renewal is filed late, it must also be accompanied by the delinquency fee prescribed in this chapter. In addition, the reinstatement fee prescribed in this chapter must be paid if the renewal is filed more than two years late. The application for renewal must be submitted on a form provided by the board by December 31 of each year or in accordance with part 1105.2550.

[For text of item B, see M.R.]

C.

(1) Licensees granted an exception under part 1105.3300 shall have a certificate status of “inactive.”

[For text of subitems (2) to (4), see M.R.]

(5) Licensees shall renew their certificates with a status of “active” if they:

(a) are employees of a firm granted a permit under *Minnesota Statutes*, section 326A.05, or are engaged as independent contractors by a firm granted a permit under *Minnesota Statutes*, section 326A.05;

[For text of units (b) and (c), see M.R.]

(d) are employees in the Office of the Legislative Auditor or State Auditor. Employees Persons specified in unit (a) or (d) who perform no direct or indirect professional service for any client do not need an “active” certificate.

[For text of subitem (6), see M.R.]

(7) Nonresident individuals who do not meet the requirements of part 1105.7900, item B, and *Minnesota Statutes*, section 326A.04, subdivision 7, or 326A.14, and who have never been granted a CPA certificate by any state must not be issued a certificate by this state unless the individual previously met the nonresident requirements of part 1105.1600, subpart 1, and meets all other requirements for initial issuance of a certificate.

D. Applicants or licensees, or nonresident individuals who desire to practice in this state but do not meet the requirements of part 1105.7900, item B, who have successfully passed the Uniform Certified Public Accountant Examination and have met the experience and education requirements of parts 1105.2600 or 1105.2700, and 1105.2900, and *Minnesota Statutes*, section 326A.04, must either:

(1) make an application and receive an initial certificate; or

(2) make an application and receive an “active” certificate; if the applicants or licensees, or nonresident individuals who do not meet the requirements of part 1105.7900, item B, are owners or are employed by or become employed by a firm which has been issued a permit under this chapter and *Minnesota Statutes*, section 326A.05, or are employees in the Office of the Legislative Auditor or State Auditor, and the employment results in the providing of professional services to a client. Applications must be accompanied by the applicable fee prescribed in this chapter and must be filed with the board within 60 days of meeting the criteria specified in this item.

[For text of item E, see M.R.]

## **1105.2550 RENEWAL OF CERTIFICATES AFTER 2009.**

A. Beginning with certificate renewal applications for calendar year 2010, the board shall renew each certificate as follows:

(1) for licensees whose last name begins with the letters:

(a) A through H, certificates shall be renewed for a three-year period (Cycle A);

(b) I through P, certificates shall be renewed for a two-year period (Cycle B); and

(c) Q through Z, certificates shall be renewed for a one-year period (Cycle C); and

(2) renewals of those certificates, after the expiration of the renewals periods specified in subitem (1), shall thereafter follow a three-year cycle.

B. Initial issuances of certificates after January 1, 2010, shall expire on the December 31 following issuance and shall thereafter be renewed so as to place the certificate in the correct renewal cycle established for the licensee’s last name in item A.

C. Licensees who have obtained a legal name change shall, upon renewal, have their certificates renewed so as to place the certificate

# Proposed Rules

in the correct renewal cycle established for the licensee's last name in item A.

D. Licensees requesting a change in certificate status during the renewal period shall not be entitled to any refund of fees according to part 1105.1000 and can only request a change in status according to this chapter and on a form provided by the board. However, additional fees covering any remaining portion of the renewal period established as a result of items A and B shall be paid if the change in status is to "active." The additional fee is based on a complete calendar year and is not prorated.

E. Licensees electing to change the status of the licensee's active certificate to a status other than active can only do so effective on the January 1 following the licensee's written request for the change and on a form provided by the board. The request shall be accompanied with documentation showing that the licensee completed at least 120 hours of continuing professional education required by this chapter during the three-year period ended June 30 preceding the effective date of the status change, with a minimum of 20 hours each year.

F. Notwithstanding the three-year renewal period established by this part and except as provided for in part 1105.3000, item J, at each June 30, licensees holding a certificate with an "active" status shall comply with the one- and three-year continuing professional education requirements in part 1105.3000.

## **1105.2900 EDUCATION REQUIRED FOR INITIAL CERTIFICATION ON OR AFTER JULY 1, 2006.**

*[For text of items A and B, see M.R.]*

C. No ~~The 48-semester hour requirement in item B may not include more than six hours may be recognized for internships or life experience.~~

D. The 150-semester hour requirement in items A and B must cover some or all of the following subjects:

(1) accounting-related subjects:

- (a) financial accounting and reporting for business organizations;
- (b) financial accounting and reporting for government and not-for-profit entities;
- (c) auditing and attestation services;
- (d) managerial or cost accounting;
- (e) taxation;
- (f) fraud examination;
- (g) internal controls and risk assessment;
- (h) financial statement analysis;
- (i) accounting research and analysis;
- (j) tax research and analysis;
- (k) accounting information systems; and

(l) ethics; and

(2) business-related subjects:

- (a) business law;
- (b) economics;
- (c) management;
- (d) finance;
- (e) business communications;
- (f) statistics;
- (g) quantitative methods;
- (h) technical writing;
- (i) information systems or technology; and
- (j) ethics.

## **1105.3000 CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS FOR RENEWAL OF CERTIFICATE.**

~~The requirements of continuing professional education in items A to K apply to the renewal of certificates pursuant to *Minnesota Statutes*, section 326A.04, subdivision 4.~~

A. A licensee seeking renewal of a certificate with an active status holding a certificate with an active status shall show the completion of complete at least 120 hours of continuing professional education complying with this chapter during the preceding three-year period preceding renewal, with a minimum of 20 hours in each year. No carryforward of CPE hours from a one- or three-year CPE period ended on June 30 to another CPE period is allowed. As further explained in part 1105.3100, a licensee seeking renewal of a certificate holding a certificate with an active status shall demonstrate participation in a program of learning meeting the applicable standards set forth in the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by NASBA and AICPA, which is incorporated by reference. At least eight hours of the 120 hours shall be in accounting ethics or business ethics. A program in ethics includes topics such as ethical reasoning, state-specific statutes and rules, and standards of professional conduct, including those of other applicable

regulatory bodies.

[For text of items B to F, see M.R.]

G. Failure to report CPE, ~~failure to obtain CPE required by this part~~, reporting of an amount less than that required, or fraudulently reporting CPE is a basis for disciplinary action ~~as specified in under Minnesota Statutes, section 326A.08~~. A licensee not in compliance with this part on June 30 of each year shall be assessed a late processing fee of \$50 for the first month, or partial month, of noncompliance and \$25 per month, or partial month, of noncompliance thereafter until the date the ~~licensee can demonstrate to the satisfaction of the board that the licensee was in licensee reports in writing to the board~~ compliance with this part and demonstrates compliance to the satisfaction of the board.

H. A licensee may use CPE hours taken subsequent to the end of a CPE period ended on June 30 to satisfy the requirements of item A related to a period ended on June 30 provided the late processing fee specified in item G is paid. ~~Such~~ The hours must not be counted in two different reporting periods.

I. ~~The eight hours of accounting or business ethics specified in item A are first effective for the three-year period ending June 30, 2006. A licensee electing to change the status of the licensee's active certificate to a status other than active can only do so effective on the January 1 following a written request for the change and on a form provided by the board. The request shall be accompanied with documentation showing that the licensee completed at least 120 hours of continuing professional education required under this chapter during the three-year period ended June 30 preceding the effective date of the status change, with a minimum of 20 hours each year.~~

J. A licensee seeking renewal of a certificate with inactive status shall show the completion of at least 120 hours of continuing professional education complying with this chapter during the three-year period ending June 30 preceding renewal with a minimum of 20 hours in each year, if the licensee had a certificate with an active status at the time of making a timely filed renewal application requesting an inactive status.

K. ~~J.~~ Licensees granted an initial certificate with an active status have no continuing professional education hour requirement for the year ending June 30 during which the initial certificate was granted. The 120-hour requirement and the ethics requirement in item A ~~is~~ are not effective for these licensees until the June 30 following the third anniversary of the initial certificate issuance, at which time at least 120 hours of CPE and the ethics requirement complying with this chapter must be completed. The 20-hour requirement in item A is not effective for these licensees until the June 30 following the first anniversary of the initial certificate issuance.

L. ~~A licensee shall report compliance with this part as required by parts 1105.2500, item B; 1105.3200, items A and C; or upon request by the board under part 1105.3200, item B.~~

## 1105.3100 PROGRAMS QUALIFYING FOR CONTINUING PROFESSIONAL EDUCATION CREDIT.

Subpart 1. **Regular qualifications.** A program qualifies as acceptable continuing professional education for purposes of this chapter and *Minnesota Statutes*, section 326A.04, subdivision 4, if it is a program of learning that contributes to the growth in the professional knowledge and professional competence of a licensee. The program must meet the minimum standards of quality of development, presentation, measurement, and reporting of credits in the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by NASBA and AICPA or such other standards acceptable to the board. Except to the extent permitted in subpart 2, ~~beginning July 1, 2004~~, program sponsors qualifying under this chapter must be members of NASBA's CPE registry and, in the case of self-study programs, members of NASBA's Quality Assurance Service program. ~~Exceptions to this registry requirement are Seminar or lecture programs sponsored or presented by the entities in items A to D are not subject to the NASBA's CPE Registry requirement:~~

[For text of items A to D, see M.R.]

Subp. 2. **Other qualifications.** The board shall accept programs that, in the determination of the board, contribute to the growth of the professional knowledge and competence of the licensee even if the programs do not meet the specific requirements of subpart 1 or part 1105.3000, item A, if the licensee shows that ~~such~~ the programs contribute to the licensee's professional knowledge and professional competence and provided the ~~aggregate hours of the programs do not exceed 40 percent of the hours required for the three-year period at least 72 hours for the three-year period do meet the requirements of subpart 1~~. All self-study program sponsors must be members of NASBA's Quality Assurance Service Program as required by subpart 1 and the program must comply with part 1105.3000, item A.

Subp. 3. **Nonresident.** A nonresident licensee ~~seeking renewal of a certificate with an active status in holding a certificate with an active status issued by this state~~ meets the CPE requirement of this chapter by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal office place of business is located.

Nonresident applicants for renewal of a certificate shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal office place of business is located by signing a statement to that effect on the renewal application of this state.

If a nonresident licensee's principal office place of business state has no CPE requirements for renewal of a certificate, the nonresident licensee must comply with all CPE requirements ~~for renewal of a certificate in~~ this state.

Subp. 4. **CPE hour limitations.** ~~On and after June 30, 2007~~; The following hour limitations apply during the three-year CPE period preceding renewal:

# Proposed Rules

A. ~~no more than 50 percent of the hours required can~~ at least 60 hours must be obtained from other than instructor preparation or presentation;

B. ~~no more than 50 percent of the hours required can~~ at least 60 hours must be obtained from other than the writing of articles, books, or CPE courses for publication;

C. ~~no more than 80 percent of the hours required can~~ at least 24 hours must be obtained from other than self-study programs; and

D. ~~no more than 24 hours can~~ at least 96 hours must be obtained from programs in ~~the subject area of~~ areas other than personal development as defined in the Statement on Standards for Continuing Professional Education (CPE) Programs.

## 1105.3200 CONTINUING PROFESSIONAL EDUCATION RECORDS.

A. Persons seeking renewal of certificates with an active status pursuant to the act shall file with their applications a signed statement indicating they have met the requirements for participation in a program of continuous learning as set forth in this chapter and indicate the number of hours claimed for each of the three preceding years ending on June 30. The licensee shall report the hours claimed, separately identifying those programs meeting the registry requirements under part 1105.3100, subpart 1, and those programs not meeting the registry requirement under part 1105.3100, subpart 2. Responsibility for documenting the acceptability of the program and the validity of the credits rests with the licensee who must retain ~~such the~~ documentation for five years following completion of each learning activity. Further, the documentation of participation in the program of learning must consist of a certificate of attendance that contains the registry number of the program sponsor if ~~such the~~ registry participation meets the requirements of this chapter and must consist of the following items for those programs that do not meet the registry requirements of this chapter:

[For text of subitems (1) to (4), see M.R.]

B. The board shall verify on a test basis, through inspection of documentation supplied by the licensee, information regarding hours of CPE attendance ~~submitted by licensees in connection with the renewal of their certificates in order to determine compliance with the continuing professional education requirements of this chapter.~~ In cases where the board determines that the hour information supplied by the licensee is not supported by the documentation supplied by the licensee or ~~such the~~ hours do not meet the requirements of this chapter, the board may grant an additional period of time in which the deficiencies can be cured or the board may take disciplinary action. Licenses determined not in compliance shall be assessed the late processing fee required in part 1105.3000, item G. Fraudulent reporting is a basis for disciplinary action.

C. Beginning in calendar year 2011, licensees holding an active certificate on June 30 shall report to the board by July 31 of each year the continuing professional education hours earned during the one- and three-year CPE period ended on June 30. The report shall be made as required by the board and no report under this item shall be required of a licensee in the final year of the renewal cycle specified in part 1105.2550.

## 1105.3300 EXCEPTION TO CONTINUING PROFESSIONAL EDUCATION REQUIREMENT.

A. The board may make an exception to the requirement ~~set out~~ in part 1105.3000, item A, for a licensee who is retired or who does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements or other compilation communication; furnishing one or more kinds of management advisory, financial advisory, or consulting services; the preparation of tax returns; or the furnishing of advice on tax matters. Licensees shall request an exception only in connection with the application for certificate renewal ~~for the following year or as provided for in part 1105.2550, item E.~~

[For text of item B, see M.R.]

C. A licensee granted ~~such~~ an exception by the board must place the word “inactive” adjacent to the licensee’s CPA title on any business card, letterhead, or any other document or device, with the exception of the CPA certificate, on which the CPA title appears.

[For text of item D, see M.R.]

## 1105.3400 INTERSTATE RECIPROCITY.

Subpart 1. Principal place of business not in this state. If the substantial equivalency standard in *Minnesota Statutes*, section 326A.14, is not applicable, the board shall issue a certificate to the holder of a certificate in good standing issued by another state provided that the applicant:

A. has successfully completed the CPA examination, meaning that the applicant passed the examination ~~in accordance with~~ according to the rules of the other state at the time it granted the applicant’s initial certificate;

B. has, in addition to meeting the requirements of item A, satisfied the requirements in *Minnesota Statutes*, section 326A.04, subdivision 3, paragraph (a), clause (2);

C. has experience of the type required under this chapter and the act for issuance of the initial certificate; ~~and~~

D. has met the CPE requirement pursuant to *Minnesota Statutes*, section 326A.04, subdivision 3, paragraph (a), clause (3), if applicable; and

E. has completed the examination on professional ethics as required by part 1105.1800, subpart 2.

**Subp. 2. Principal place of business in this state.** A certificate holder licensed by another state who establishes a principal place of business in this state shall obtain a certificate from this state. If the certificate holder's individual qualifications are not substantially equivalent to the act or this chapter, the board shall issue a certificate to the holder of a certificate in good standing issued by another state provided the applicant is of good moral character and has met the qualifications in subpart 1.

**Subp. 3. Applicant duties.** An applicant granted a certificate under subpart 1 is subject to *Minnesota Statutes*, section 326A.14, subdivision 1, paragraph (c). Further, the holder of a certificate granted under subpart 1 shall notify the board if the holder establishes a principal place of business in this state.

**Subp. 4. Certificate based on international reciprocity.** An applicant holding a certificate issued by another state whose certificate in that other state was issued based on a professional accounting credential or professional registration issued by a foreign country must apply for a certificate in this state under part 1105.3500 and *Minnesota Statutes*, section 326A.03, subdivision 7.

## 1105.3500 INTERNATIONAL RECIPROCITY.

Subpart 1. **Foreign countries.** The board shall ~~may~~ designate a professional accounting credential or professional registration issued in a foreign country as ~~substantially~~ generally equivalent to a CPA certificate license and:

A. may rely on the International Qualifications Appraisal Board for evaluation of foreign credential equivalency; and

B. may accept a foreign accounting credential in partial satisfaction of its domestic credentialing requirements if:

(1) the holder of the foreign accounting credential met the issuing body's education requirement and passed the issuing body's examination used to qualify its own domestic candidates; and

(2) the foreign credential is valid and in good standing at the time of application for a domestic credential; and

C. if the foreign jurisdiction that granted the accounting credential to the foreign applicant is a party to a currently valid mutual recognition agreement with NASBA, the credential holder is presumed to be generally equivalent and is subject to other qualifying requirements as provided in the mutual recognition agreement.

Subp. 2. **Qualifying examinations.** The board shall satisfy its requirements through qualifying examinations that the holder of a foreign credential deemed by the board to be ~~substantially~~ generally equivalent to a CPA certificate possesses adequate knowledge of United States practice standards and the board's regulations. The board may rely on the National Association of State Boards of Accountancy, the American Institute of Certified Public Accountants, or other professional bodies to develop, administer, and grade ~~such~~ the qualifying examinations. The board shall specify the qualifying examinations and process by resolution.

[For text of subp 3, see M.R.]

Subp. 4. **Self-reporting.** The holder of a CPA certificate license or practice privilege issued or granted by the board in reliance on a foreign accounting credential or license shall report any investigations undertaken, or sanctions imposed, by a foreign credentialing or licensing body against the CPA's foreign credentialing credential or license, or any discipline ordered by any regulatory authority having jurisdiction over the holder's conduct in the practice of accountancy.

Subp. 5. **Sanctions against foreign credentials.** Suspension or revocation of, or refusal to renew, the CPA's foreign accounting credential by the foreign credentialing body may be evidence of conduct reflecting adversely upon the CPA's fitness to retain the certificate and may be a *prima facie* basis for board action.

Subp. 6. **Conviction.** Conviction of a felony or any crime involving dishonesty or fraud under the laws of a foreign country is evidence of conduct reflecting adversely on the CPA's fitness to retain the certificate and is a *prima facie* basis for board action.

[For text of subps 7 and 8, see M.R.]

## 1105.3600 QUALITY REVIEW FOR LICENSEES WHO DO NOT PRACTICE IN A FIRM.

A licensee who issues compilation reports as defined in the act other than through a CPA firm that holds a permit under *Minnesota Statutes*, section 326A.05, must undergo a quality review as described in parts 1105.4600 to 1105.5500, unless, as specified in *Minnesota Statutes*, section 326A.05, subdivision 1, paragraph (b), the firm is not required to have a permit issued in this state.

## 1105.3700 EXEMPTION FROM CERTIFICATE RENEWAL REQUIREMENT.

[For text of items A and B, see M.R.]

C. Persons electing to change from exempt status shall report continuing professional education as described in subitems (1) to (3).

[For text of subitems (1) and (2), see M.R.]

(3) Hours reported in subitem (1) may be used to satisfy the requirement in part 1105.3000 to the extent the hours fall within the ~~annual reporting~~ one- or three-year CPE period.

D. For purposes of this part, the "practice of public accounting in any manner" means issuing a report as described in ~~part 1105.0100, subpart 17~~ *Minnesota Statutes*, section 326A.01, subdivision 15, whether or not a fee is received. In addition, for purposes of this subpart, "hold out" means any oral or written communication conveying the facts that the person holds a CPA certificate, including,

# Proposed Rules

without limitation, the displaying of the CPA certificate in any location where business is conducted and the use of titles or legends on letterheads, business cards, resumes, office doors, or advertisements and listings, including published membership listings of professional organizations.

E. Certificate holders who have never met the experience or education requirements specified in *Minnesota Statutes*, section 326A.03, subdivision 6 or 8, may not elect to be exempt from the renewal requirement.

## 1105.3800 INITIAL ISSUANCE OF CERTIFICATE ON OR AFTER JANUARY 1, 2003.

A certificate shall be issued to a person who has:

[For text of items A to E, see M.R.]

F. for initial certificate applications received on or after July 1, 2006:

[For text of subitem (1), see M.R.]

(2) for those whose initial sitting for any part of the examination required by *Minnesota Statutes*, section 326A.03, was on or after July 1, 2006, and for all initial applications received after December 31, 2008:

(a) completed the experience required by part 1105.2600 and *Minnesota Statutes*, section 326A.03, subdivision 6, paragraph (b); and

(b) completed the education required by part 1105.2900 and *Minnesota Statutes*, section 326A.03, subdivision 6, paragraph (a); and

G. complied with the continuing professional education requirement in part 1105.3350; and

H. completed the examination on professional ethics as required by part 1105.1800, subpart 2.

## 1105.3900 RENEWAL BY CERTIFICATE HOLDERS WHO HAVE NOT MET EXPERIENCE REQUIREMENTS OF MINNESOTA STATUTES, SECTION 326A.03, SUBDIVISION 5.

[For text of item A, see M.R.]

B. The renewal must be submitted on a form provided by the board by December 31 of each year or according to part 1105.2550.

C. The board shall notify each certificate holder of the renewal requirement. Each certificate holder shall file the form and pay the delinquency fee as required in part 1105.0600 if the registration renewal form is not received by prior to expiration on December 31 or postmarked by the United States Postal Service by that date. The certificate holder shall also inform the board of any address change within 30 days of the date of occurrence.

D. The certificates of persons who on January 1, 2003, have not met the experience required by *Minnesota Statutes*, section 326A.03, subdivision 5, must be revoked following the procedures of Minnesota Statutes, chapter 14 section 326A.04, subdivision 11, if the experience is not obtained before July 1, 2006, or unless the person:

(1) submits to the board within the 90 days prior to July 1, 2006, a statement detailing experience of the type required by part 1105.2600 and *Minnesota Statutes*, section 326A.03, subdivision 6, paragraph (b), on a form provided by the board and in the amount required by *Minnesota Statutes*, section 326A.03, subdivision 5;

(2) submits a certificate renewal application with the statement required by subitem (1) requesting an inactive status; and

(3) pays the fee specified in part 1105.0600.

Once the experience is verified by the board and the application is approved, the certificate shall have an inactive status effective as of July 1, 2006. Persons who have had their certificates revoked or who have been notified by the board that such the action is pending can file an application for initial certificate provided that the then-current requirements specified in part 1105.3800, item F, subitem (2), have been satisfied. The board shall use the grades achieved on the examination that was the basis for the certificate held on January 1, 2003, for determining completion of the examination required by *Minnesota Statutes*, section 326A.03, subdivision 4.

## 1105.4000 APPLICATION FOR FIRM PERMIT.

A. Applications by firms for initial issuance and for renewal of permits pursuant to under *Minnesota Statutes*, section 326A.05, must be made on a form provided by the board and, in the case of applications for renewal, must be filed no later than December 31. Applications are not considered filed until the applicable fee and all required documents prescribed in this chapter are received. If an application for permit renewal is filed late, it must also be accompanied by the delinquency fee prescribed in part 1105.0600. In addition, the reinstatement fee prescribed in this chapter shall be paid if the renewal is filed more than two years late.

B. A sole proprietor shall apply simultaneously for a certificate or a renewal of a certificate and a firm permit, if such when a permit is needed.

[For text of item C, see M.R.]

D. The board shall not issue a permit to a firm until all partners, members, managers, shareholders, directors, and officers resident whose principal place of business is in this state and holding who hold a certificate:

(1) for initial issuance of a permit, individually hold nonexpired certificates with an active status issued under *Minnesota*

*Statutes*, section 326A.04, covering the term of the permit to be issued; or

(2) for renewal of a permit, individually renew their certificates with an active status ~~for the coming year or hold nonexpired certificates with an active status issued under *Minnesota Statutes*, section 326A.04, covering the term of the permit to be issued.~~

[For text of items E to H, see M.R.]

I. The application for a firm permit shall contain a representation from the firm that it has complied with part 1105.7850, item F, and that it has verified compliance of its partners, members, shareholders, directors, or officers resident in this state with items D, E, and F.

## 1105.4100 NOTIFICATION OF CHANGES BY FIRMS.

A. A firm granted a permit ~~pursuant~~ according to *Minnesota Statutes*, section 326A.05, shall file with the board a written notification of any of the following events concerning the practice of public accountancy within this state within 30 days after its occurrence:

- (1) formation of a new firm;
- (2) addition of a partner, member, manager, director, or shareholder who resides or practices in this state;
- (3) retirement, withdrawal, or death of a partner, member, manager, director, or shareholder who resides or practices in this state;
- (4) any change in the name of the firm;
- (5) termination of the firm;
- (6) change in the management of any branch office in this state;
- (7) establishment of a new branch office or the closing or change of address of a branch office in this state; and
- (8) the initial offering of attest or compilation services in this state; and
- (9) the occurrence of any event or events that would cause the firm not to be in conformity with this chapter or the act.

[For text of item B, see M.R.]

C. Firms that fall out of compliance with *Minnesota Statutes*, section 326A.05, subdivision 3, paragraph (b), shall take corrective action within 60 days to bring the firm back into compliance within 60 days of the date the noncompliance begins. Failure to comply with this requirement shall result in the suspension or revocation of the firm permit.

## 1105.4150 HEADQUARTERS OF CLIENT.

A. For purposes of part 1105.4200 and *Minnesota Statutes*, sections 326A.05, subdivision 1, and 326A.14, subdivision 1, a client is considered to have its headquarters in this state if the location specified by the client as the address to which a service is directed is located in this state. A client is considered to have its headquarters in this state if:

- (1) the client has its headquarters, home office, or principal place of business located within this state;
- (2) the client is a subsidiary or affiliate of another entity that does not have its headquarters in this state, but the client subsidiary or client affiliate does have its headquarters in this state and enters into an agreement with a CPA firm to provide attest services;
- (3) the CPA firm's engagement letter or agreement to provide attest services is with a client located within this state; or
- (4) the client is a subsidiary or affiliate of another entity that does not have its headquarters in this state, but the client subsidiary or client affiliate is located within this state and the CPA firm is engaged, either directly or indirectly, to provide attest services and issue a report on the financial statements of the entity located within this state.

B. Upon a request from the board, a firm not holding a permit in this state shall provide to the board documentation obtained from its client supporting the determination that the address to which a service is directed is not located in this state and shall provide other requested documentation supporting such determination.

C. For purposes of determining whether a firm permit is required for a firm that does not have an office in this state, the board can make a determination, based on the documentation provided by the firm in item B and other information regarding the location and ownership structure of the client obtained from other state agencies, that a client has its headquarters in this state.

## 1105.4200 APPLICATIONS FOR INITIAL ISSUANCE AND FOR RENEWAL OF PERMITS.

A. The application for initial issuance and for renewal of permits must specify that:

(1) all individual employees of the firm who have been granted practice privileges under *Minnesota Statutes*, section 326A.14, or who hold certificates and reside or practice in this state and those persons specified in part 1105.4000, item D, who are responsible for supervising attest or compilation services or who sign or authorize someone to sign an accountant's report on financial statements have met the competency requirements set out in professional standards; and

(2) all attest and compilation services rendered by the firm in this state are under the charge of a person holding an unexpired certificate issued under *Minnesota Statutes*, section 326A.04, with an active status or the corresponding provision of prior law or a person who has been granted practice privileges under *Minnesota Statutes*, section 326A.14.

B. An entity with an office in this state, including a sole proprietorship, is required to hold a valid permit if it:

- (1) provides attest services ~~and issues attest reports;~~
- (2) assumes or uses the title "certified public accountants," the abbreviation "CPAs," or any other title, designation, words,

# Proposed Rules

---

letters, abbreviation, sign, card, or device tending to indicate that the entity is a CPA firm; or

(3) ~~issues~~ provides compilation reports services, except that if the entity's form of business does not qualify it for a permit, then the CPA holding an active certificate and employed by the entity who performs the compilation services shall comply with *Minnesota Statutes*, section 326A.10, paragraph (k). Registered accounting practitioners shall comply with this chapter including part 1105.7500.

C. Any entity, including a sole proprietorship, which does not have an office in this state but performs the attest services specified in *Minnesota Statutes*, section 326A.05, subdivision 1, paragraph (a), clause (4), for a client having its headquarters in this state, is required to hold a valid permit.

## 1105.4500 LICENSED PUBLIC ACCOUNTANTS.

[For text of items A to E, see M.R.]

F. Persons granted a certificate under item A shall not change the person's certificate status from "exempt" to "active or inactive."

## 1105.4600 QUALITY REVIEW.

For the purpose of parts 1105.4600 to 1105.5500, the terms in this part have the meanings given.

A. "Quality review" means ~~a~~ an independent study, appraisal, or review of one or more aspects of the attest or compilation professional ~~work~~ services of a person or firm as required by *Minnesota Statutes*, section 326A.05, subdivision 8, ~~by a reviewer who meets the requirements of part 1105.5200.~~

B. "Report acceptance body" or "administrating entity" means the organization that accepts the quality review report from the reviewer, reviews it, and determines what, if any, action the firm shall take in order to bring the firm's practice up to the professional standards.

C. "Reviewer" means the licensee or firm selected to conduct the quality review who is not affiliated with the licensee being reviewed. The Public Company Accounting Oversight Board is also considered a reviewer.

## 1105.4700 QUALITY REVIEW STANDARDS.

[For text of item A, see M.R.]

B. Quality reviews conducted according to the standards meet the board's requirements for a quality review. Except as specified in part 1105.4800, inspections conducted under Section 104 of the Sarbanes-Oxley Act of 2002, Public Law 107-204, shall meet the board's requirements for a quality review. Approved report acceptance bodies specified in part 1105.5300, item B, shall file with the board prior to April 1 of each year a statement which details all significant differences between the quality review standards followed by the report acceptance body and the standards specified in item A. A firm shall notify the board and obtain permission prior to having a review conducted by through a report acceptance body other than those specified in part 1105.5300.

[For text of item C, see M.R.]

## 1105.4800 QUALITY REVIEW REQUIREMENTS.

[For text of items A and B, see M.R.]

C. Firms holding a permit issued by the State Board of Accountancy of another state and that are required to apply for a permit in this state under *Minnesota Statutes*, section 326A.05, subdivision 1, paragraph (a), clause (4), shall submit with its application the material required by part 1105.5400, item A, covering the quality review of its public and nonpublic company attest and compilation client practice.

## 1105.5000 QUALITY REVIEW CYCLE FOR FIRMS.

[For text of subpart 1, see M.R.]

Subp. 2. [See repealer.]

Subp. 3. **Firms that are subject to quality review after December 31, 2002.** Firms that become subject to the quality review program after December 31, 2002, for the first time shall determine their cycles ~~in accordance with~~ according to part 1105.5100.

[For text of subp 4, see M.R.]

## 1105.5100 FIRM QUALITY REVIEW REQUIREMENT FOR FIRMS NEWLY SUBJECT TO REQUIREMENT ON OR AFTER JANUARY 1, 2003.

As a condition to renewal of a firm permit, a new firm shall undergo a quality review during the first ~~full~~ year after it becomes subject to the requirements for quality review, and shall report the material ~~specified~~ in part 1105.5400 to the board no later than 15 months after the end of the first ~~full~~ year after becoming subject to the requirement.

After the initial report, the firm shall be required to report every three years.

A new firm is one that has not previously been issued a permit in Minnesota or has not had a quality review completed in the three-year

period prior to application. It does not include the firms described in items A to D.

[For text of item A, see M.R.]

B. A new partnership, corporation, LLC, or LLP in which the constituent firms were already ~~scheduled for~~ in a quality review cycle. The quality review of the new firm must be conducted in the latest of the constituent firms' cycles.

[For text of items C and D, see M.R.]

## 1105.5200 QUALIFICATIONS OF REVIEWER.

The reviewer shall have the following minimum qualifications:

[For text of items A to F, see M.R.]

G. have ~~attended a quality review seminar, the contents of which prepare the reviewer~~ the expertise, experience, and qualifications to conduct a quality review.

## 1105.5400 REPORT TO BOARD.

A. Within 30 days of receipt of the letter described in subitem (2), but no later than the date ~~specified~~ in part 1105.5000, each firm shall submit, or have submitted on its behalf, the following material to the board:

(1) a copy of the report issued by the reviewer, including any ~~letters of comment and responses~~ response from the firm that addresses deficiencies or significant deficiencies contained in the report;

(2) the final letter of acceptance from the report acceptance body; and

(3) any agreements to correct deficiencies that have been entered into between the firm and the report acceptance body.

The board shall review and consider this material in its decision to issue a permit to the firm.

Failure to file the required material by the required date is cause for discipline against the firm's permit.

In the case where the report acceptance body and the firm have entered into an agreement to correct deficiencies, failure by the firm to abide by that agreement is grounds for discipline against the firm's permit and the certificates of the managers in charge of the firm's offices maintained in this state.

Except as specified in part 1105.4800, ~~item B~~, a written report, including any responses by the firm attached to the report, on all inspections conducted by the Public Company Accounting Oversight Board submitted within 30 days of receipt to the board shall meet the requirements of this part.

Nothing in this part requires a firm to submit the Public Company Accounting Oversight Board inspections report to the board, providing a quality review encompassing the firm's public company attest client practice has been conducted and submitted to the board ~~in accordance with~~ according to parts 1105.4600 to 1105.5500 or ~~in accordance with~~ according to standards adopted by the AICPA or the Public Company Accounting Oversight Board within the previous three years. Prior to January 1, 2008, the board may waive the requirement for a report on the firm's public company attest client practice if a report on the review of such practice is not received by the firm from the Public Company Accounting Oversight Board.

[For text of item B, see M.R.]

C. In connection with the submission required by item A, the firm shall specifically notify the board if it has had two or more consecutive quality reviews of its nonpublic company attest or compilation client practice that resulted in the firm receiving a report that was other than pass. A firm's review shall result in one of three findings:

(1) pass;

(2) pass with deficiencies; or

(3) fail.

## 1105.5600 GROUNDS FOR ENFORCEMENT ACTION.

Subpart 1. Grounds for disciplinary action. The grounds for revocation and suspension of certificates, registrations, and permits, and other disciplinary action against licensees, certificate holders, applicants, and individuals with privileges under *Minnesota Statutes*, section 326A.14, are ~~set out~~ specified in *Minnesota Statutes*, section 326A.08. In addition, the grounds include the following particular grounds for disciplinary action:

A. fraud, dishonesty, or deceit in obtaining a certificate, registration, or permit, within the meaning of *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clause (5), including the submission to the board of any knowingly false or forged evidence in, or in support of, an application for a certificate, registration, or permit, and cheating on an examination as defined in this chapter;

B. dishonesty, fraud, deceit, or gross negligence through knowingly or through gross negligence, by making misleading, deceptive, or untrue representations in the performance of services;

C. violations of the act or rules promulgated under the act, within the meaning of *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clause (1), including:

(1) using the CPA title or providing attest or compilation services in this state without a certificate with an active status,

# Proposed Rules

registration, or permit to practice issued under *Minnesota Statutes*, sections 326A.04 and 326A.05, or without properly qualifying to practice across state lines under the substantial equivalency provision of the act;

(2) using or attempting to use a certificate, registration, or permit which has been suspended or revoked;

(3) making any false, deceptive, or misleading statement, in support of an application for a certificate, registration, or permit filed by another;

(4) failure of a licensee to provide any explanation requested by the board regarding evidence submitted by the licensee in support of an application filed by another, or regarding a failure or refusal to submit such evidence; and failure by a licensee to furnish for inspection, upon request by the board or its representative, documentation relating to any evidence submitted by the licensee in support of such an application;

(5) failure to satisfy the continuing professional education requirements in *Minnesota Statutes*, section 326A.04, subdivision 4, and failure to comply with the continuing education requirements of this chapter;

(6) failure to comply with professional standards as to the attest or compilation competency requirement for those who supervise attest or compilation engagements and sign reports on financial statements or other compilation communications with respect to financial statements; ~~or~~

(7) failure to comply with the applicable quality review requirements set out in this chapter and *Minnesota Statutes*, sections 326A.04 and 326A.05, subdivision 8; ~~and or~~

(8) making any false, deceptive, or misleading statement in support of a request to the board to accept the voluntary surrender of a certificate, registration, or permit;

D. conduct reflecting adversely upon the licensee's fitness to perform services, within the meaning of *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clauses (2) and (10), includes:

(1) adjudication as mentally incompetent;

(2) fiscal dishonesty of any kind;

(3) presenting as one's own a certificate, registration, or permit issued to another;

(4) concealment of information regarding violations by other licensees of the act or this chapter when questioned or requested by the board; ~~and~~

(5) willfully failing to file a report or record required by state or federal law; willfully impeding or obstructing the filing of a report or record, or inducing another person to impede or obstruct a filing by another; and the making or filing of a report or record which one knows to be false; ~~and~~

(6) incompetence, including:

(a) gross negligence, recklessness, or repeated acts of negligence in the licensee's record of professional practice; or

(b) any condition, whether physical or mental, that endangers the public by impairing skill and care in providing professional services.

E. A licensee, applicant, certificate holder, registrant, or person specified in *Minnesota Statutes*, section 326A.05, subdivision 3, paragraph (c), who is subject to the actions, or has engaged in activities, described in *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clause (6) or (7) or has been convicted of, has pled guilty or nolo contendere to, or has been sentenced as a result of the commission of a felony or crime, an element of which is dishonesty or fraud, shall, within 30 days of being subject to or engaging in such actions or activities, notify the board in writing and provide the details of the activities. The notification may be used as a basis for initiating an investigation against the licensee, applicant, certificate holder, registrant, or person specified in *Minnesota Statutes*, section 326A.05, subdivision 3, paragraph (c), the results of which could result in disciplinary action specified in *Minnesota Statutes*, section 326A.08.

F. An initial determination by the board not to institute proceedings under *Minnesota Statutes*, section 326A.08, does not preclude the board from subsequently doing so if relevant information is obtained which, in the opinion of the board, would have resulted in a different determination if the information was known earlier.

Subp. 2. Failing to file a report. A finding, adjudication, consent order, or conviction by a federal or state court, agency, or regulatory authority, or the Public Company Accounting Oversight Board that a licensee has willfully failed to file a required report or record specified in subpart 1, item D, subitem (5), is prima facie evidence of a violation of this part.

## 1105.5900 NOTICES OF HEARING OR CONFERENCE.

[For text of item A, see M.R.]

B. When the ~~complaint and~~ notice of hearing or conference ~~are is~~ served pursuant to *Minnesota Statutes*, section 326A.08, ~~they it~~ must be accompanied by:

~~(1) a copy of the board's rules under this part; and~~

~~(2) a copy of *Minnesota Statutes*, section 326A.08.~~

C. The investigation ~~and~~, hearing, or conference may result in the discovery of additional violations. The additional violations do not need to be specifically identified in the notice issued in item A.

## 1105.6200 ACTION BY BOARD.

[For text of items A and B, see M.R.]

C. In considering an application under part 1105.6100, the board may consider all activities of the applicant since the disciplinary penalty from which relief is sought was imposed, the offense for which the applicant was disciplined, the applicant's activities during the time the certificate, registration, privileges under *Minnesota Statutes*, section 326A.14, or permit was in good standing, the applicant's rehabilitative efforts, restitution to damaged parties in the matter for which the penalty was imposed, ~~and~~ the applicant's general reputation for truth and professional probity, and factors described in part 1105.2450.

[For text of item D, see M.R.]

## 1105.6300 MISLEADING CPA FIRM NAMES.

A CPA firm name is misleading within the meaning of *Minnesota Statutes*, section 326A.10, paragraph (h), if, among other things, the CPA firm name:

[For text of items A and B, see M.R.]

C. includes the name of a person who is not a CPA if the title "CPAs" is included ~~in~~ as part of the firm name.

The firm name shall not include the name of a person who was a past partner, member, or shareholder of the firm if the person withdraws consent to the use or if the person becomes a partner, member, shareholder, or owner of a firm established under *Minnesota Statutes*, section 326A.05.

## 1105.6400 FICTITIOUS FIRM NAMES.

A fictitious CPA firm name, that is, one not consisting of the names or initials of one or more present or former partners, members, or shareholders, may not be used by a CPA firm unless the name has been registered with and approved by the board as not being false or misleading.

A firm name is considered false or misleading if:

[For text of items A to J, see M.R.]

K. the name of a firm that is a sole proprietorship fails to contain the ~~name~~ surname of the sole proprietor;

[For text of items L and M, see M.R.]

## 1105.6550 DEFINITION OF VALID CERTIFICATE, LICENSE, PERMIT, AND REGISTRATION, AND OF GOOD STANDING.

A. "Valid certificate," ~~or "valid license,"~~ as used in *Minnesota Statutes*, section 326A.10 ~~or 326A.14~~, is an unexpired certificate that has a certificate status of "active" as defined in part 1105.2500. This definition does not limit the use of the CPA designation by those persons who comply with parts 1105.3300 and 1105.3900.

[For text of items B and C, see M.R.]

D. "Good standing," as used in parts 1105.3400 and 1105.3500 and *Minnesota Statutes*, section 326A.14, is the absence of grounds for enforcement or disciplinary action described in part 1105.5600 and *Minnesota Statutes*, section 326A.08, subdivision 5.

## 1105.6600 REGISTERED ACCOUNTING PRACTITIONER.

The designation of "registered accounting practitioner" shall be issued by the board ~~after June 30, 2003~~; to persons of good moral character who have made application on a form provided by the board and who:

- A. have met the education requirement ~~specified~~ in part 1105.6700;
- B. have met the RAP examination requirement ~~specified~~ in part 1105.6800;
- C. have met the experience requirement ~~specified~~ in part 1105.6900;
- D. have submitted documentation, which can be verified by the board, to support items A to C; and
- E. have paid the fee ~~specified~~ in part 1105.0600.

## 1105.7000 RENEWAL OF REGISTRATION.

A. The registration of a registered accounting practitioner expires on December 31 each year and must be renewed annually before December 31 on a form provided by the board for ~~such that~~ purpose. The fee ~~specified~~ in part 1105.0600 must be paid. If an application for renewal is filed late, it shall also be accompanied by the delinquency fee ~~prescribed~~ in part 1105.0600. In addition, the reinstatement fee ~~prescribed~~ in this chapter must be paid if the renewal is filed more than two years late.

B. A registrant seeking renewal shall show that the registrant has completed no less than 90 hours of continuing professional education complying with the standards ~~specified~~ in part 1105.3100 during the three-year period preceding renewal with a minimum of 20 hours in each year. At least four hours of the 90 hours shall be in accounting ethics or business ethics. A program in ethics includes topics such as ethical reasoning, state-specific statutes and rules, and standards of professional conduct, including those of other applicable regulatory bodies. A registrant's initial three-year period starts on January 1 following the date the individual is initially registered by the

# Proposed Rules

---

board.

C. Failure to report continuing professional education, failure to obtain CPE required by this part, reporting an amount less than that required, or fraudulently reporting continuing professional education is a basis for disciplinary action as specified in under Minnesota Statutes, section 326A.08. A registrant not in compliance with this part on June 30 of each year shall be subject to the requirements of part 1105.3000, item G.

D. A registrant shall report compliance with this part as required by item B. The board shall verify on a test basis, through inspection of documentation supplied by the registrant, information regarding hours of CPE attendance in order to determine compliance with the continuing professional education requirements of this chapter.

E. The continuing professional education hour limitations in part 1105.3100, subpart 4, do not apply to a registrant.

## 1105.7200 NOTIFICATION OF CHANGES BY RAP FIRMS.

A. A RAP firm registered under this chapter shall file with the board a written notification of any of the following events concerning its practice within this state within 30 days after its occurrence:

- (1) formation of a new RAP firm;
- (2) addition of a partner, member, manager, director, or shareholder;
- (3) retirement, withdrawal, or death of a partner, member, manager, director, or shareholder;

[For text of subitems (4) to (8), see M.R.]

B. In the event of any changes in legal form of a RAP firm, the new firm shall, within 30 days of the change, file an application for an initial RAP firm permit in accordance with according to this chapter and pay the fee required by this chapter.

C. RAP firms that fall out of compliance with this part shall take corrective action within 60 days to bring the firm back into compliance. Failure to do so shall result in the suspension or revocation of the RAP firm permit.

## 1105.7450 MISLEADING RAP FIRM NAMES AND FICTITIOUS RAP FIRM NAMES.

[For text of item A, see M.R.]

B. A RAP firm name is misleading if, among other things, the RAP firm name:

[For text of subitems (1) and (2), see M.R.]

(3) includes the name of a person who is not a RAP if the title "RAP" is included in as part of the firm name. The firm name shall not include the name of a person who was a past partner, member, shareholder, or owner of the firm if the person withdraws consent to the inclusion or if the person becomes a partner, member, shareholder, or owner of a firm established under part 1105.7100.

C. A fictitious RAP firm name, that is, one not consisting of the names or initials of one or more present or former partners, members, or shareholders, may not be used by a RAP firm unless the name has been registered with and approved by the board as not being false or misleading.

A firm name is considered false or misleading if:

[For text of subitems (1) to (10), see M.R.]

- (11) the name of a firm that is a sole proprietorship fails to contain the name surname of the sole proprietor;

[For text of subitems (12) and (13), see M.R.]

## 1105.7500 COMPILATION REPORTS.

[For text of item A, see M.R.]

B. The form of the compilation report that can be issued is specified in part 1105.6500, items B and C.

C. Registrants must comply with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants when performing compilation services except as specified in part 1105.6500, item C. Such The statements are contained in AICPA Professional Standards, Volume 2, published by the American Institute of Certified Public Accountants (June 1, 2002), which is are incorporated by reference. This publication is subject to frequent change and is available through the State Law Library.

## 1105.7800 CODE OF PROFESSIONAL CONDUCT.

[For text of item A, see M.R.]

B. Failure to report continuing professional education or falsely reporting continuing professional education required by parts 1105.3000 and 1105.7000 is an act discreditable to the profession and is basis for disciplinary action specified in under Minnesota Statutes, section 326A.08.

C. Failure to report quality reviews required by parts 1105.4000 and 1105.7100 or seeking an exemption when one is not warranted, is an act discreditable to the profession and is a basis for disciplinary action specified in under Minnesota Statutes, section 326A.08.

D. Failure to file an application, registration, renewal, or other document or form required to be filed with the board pursuant to this chapter, the act, or any other statutes or rule is an act discreditable to the profession and is basis for disciplinary action specified in under

*Minnesota Statutes*, section 326A.08.

E. Persons and firms subject to ~~the provisions of~~ the Sarbanes-Oxley Act of 2002, Public Law 107-204, shall comply with that act and related published rules. Failure to do so is an act discreditable to the profession and is basis for disciplinary action ~~specified in under~~ *Minnesota Statutes*, section 326A.08.

F. Persons and firms performing audit or attest services ~~in accordance with~~ according to government auditing standards issued by the Comptroller General of the United States or auditing or related professional practice standards issued by the Public Company Accounting Oversight Board, which documents are incorporated by reference, shall comply with those standards. Failure to do so is an act discreditable to the profession and is basis for disciplinary action ~~specified in under~~ *Minnesota Statutes*, section 326A.08.

[For text of item G, see M.R.]

H.

(1) ~~No~~ A licensee, registrant, certificate holder, or applicant may not directly or indirectly take any action to fraudulently influence, coerce, manipulate, or mislead any certified public accounting firm, the state auditor, or the legislative auditor engaged in the performance of an audit of financial statements if that person knew or was unreasonable in not knowing that the action could, if successful, result in rendering the financial statements materially misleading. Engaging in ~~such~~ these acts is an act discreditable to the profession and is a basis for disciplinary action ~~specified in under~~ *Minnesota Statutes*, section 326A.08.

[For text of subitem (2), see M.R.]

I. A licensee shall not render services that do not follow the standards, as applicable under the circumstances and at the time the services are provided, specified in the documents in part 1105.0250. In addition to these applicable standards, and to the extent other provisions of this chapter and *Minnesota Statutes* do not modify or conflict with them, a licensee shall follow standards issued by other professional or governmental bodies including international standards setting bodies with which a licensee is required by law, regulation, or the terms of engagement to comply.

J.

(1) A licensee shall not for a commission recommend or refer to a client any product or service, or for a commission recommend or refer any product or service to be supplied by a client, or receive a commission, when the licensee also performs for that client:

(a) an audit or review of a financial statement;

(b) a compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

(c) an examination of prospective financial information.

This prohibition applies during the period in which the licensee is engaged to perform any of the services listed under this item and the period covered by any historical financial statements involved in these services.

(2) A licensee who is not prohibited by this item from performing services for or receiving a commission and who is paid or expects to be paid a commission shall disclose that fact to any person or entity to whom the licensee recommends or refers a product or service to which the commission relates.

(3) Any licensee who accepts a referral fee for recommending or referring any service of a licensee to any person or entity or who pays a referral fee to obtain a client shall disclose any acceptance or payment to the client.

K.

(1) A licensee shall not:

(a) perform for a contingent fee any professional services for, or receive any fee from a client for whom the licensee or the licensee's firm performs:

i. an audit or review of a financial statement;

ii. a compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

iii. an examination of prospective financial information; or

(b) prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client.

(2) The prohibition in subitem (1) applies during the period in which the licensee is engaged to perform any of the services listed in this item and the period covered by any historical financial statements involved in any listed services.

(3) A contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. For purposes of this item, fees are not regarded as being contingent if fixed by courts or other public authorities, or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies. A licensee's fees may vary depending, for example, on the complexity of services rendered.

## 1105.7850 RETENTION AND CONTENT OF AUDIT DOCUMENTATION.

A. Firms granted permits under *Minnesota Statutes*, section 326A.05, shall prepare, ~~in accordance with~~ according to professional

# Proposed Rules

standards contained in AICPA Professional Standards, Volume 1, and retain for a period of not less than six years from the report date audit documentation in sufficient detail to support the conclusions reached in any report issued by the firm on the financial statements audited.

B. The professional standards referred to in item A are incorporated by reference.

C. Failure to comply with this part, or with all professional standards applicable to particular engagements, including, but not limited to, standards adopted by the Public Company Accounting Oversight Board or the Comptroller General of the United States, which are incorporated by reference in part 1105.0250, items D and E, respectively, is an act discreditable to the profession and is basis for disciplinary action ~~specified in~~ under Minnesota Statutes, section 326A.08. The documentation and retention requirements ~~set out~~ in this part do not apply to engagements that are subject to the jurisdiction of the Public Company Accounting Oversight Board or the Comptroller General of the United States. Unless otherwise stated in this part, firms shall comply with the documentation and retention requirements ~~set out~~ in this part in any other audit engagement performed for a client having its headquarters in this state.

[For text of item D, see M.R.]

E. Any documents required to be retained by this part must be retained in accessible form ~~such~~ so that a reviewer may read the information contained in the documents.

[For text of items F to H, see M.R.]

## 1105.7900 SUBSTANTIAL EQUIVALENCY.

A. ~~In accordance with~~ Under Minnesota Statutes, section 326A.04, subdivision 3, paragraph (b), an individual rendering professional services in this state whose principal place of business will be in this state is required to have a certificate issued under *Minnesota Statutes*, section 326A.04.

B. ~~In accordance with~~ Upon meeting the qualifications in Minnesota Statutes, section 326A.14, subdivision 1, ~~paragraph (a) or (b)~~, an individual rendering professional services in this state whose principal place of business is not in this state ~~is required to notify the board as specified in this part~~ is granted practice privileges equivalent to the licensees of this state without the need to obtain a license.

C. Individuals seeking practice privileges under *Minnesota Statutes*, section 326A.14, shall complete an application in the form provided by the board and pay the fee required by part 1105.0600. The practice privilege granted shall expire one year after it is effective or shall immediately expire if the certificate or license under which the privilege was granted is no longer "valid" as defined in part 1105.6550. For purposes of the act and this chapter, an individual shall, at any time, only designate a single state as the individual's principal place of business. Residents of this state who provide professional services in this state at an office location in this state shall be considered to have their principal place of business in this state.

D. The application must be received by the board within 15 days after the individual knowingly becomes subject to the laws of this state by: Individuals required by Minnesota Statutes, section 326A.14, subdivision 1, paragraph (b), to obtain a verification that their individual qualifications are substantially equivalent to the licensure requirements of Minnesota Statutes, section 326A.03, subdivisions 2, 4, and 6, shall obtain the verification from the NASBA National Qualification Appraisal Service prior to rendering professional services in this state. Documentation supporting this verification must be maintained by the individual for a minimum period of six years and must be submitted to the board upon request.

(1) accepting an engagement or assignment to render professional services in this state; or

(2) rendering professional services in this state.

E. Practice privileges of individuals who have a certificate or license, for which the holder of the certificate has met the CPE requirement of this chapter, are effective as follows:

(1) if the certificate or license is issued by a state which is in substantial equivalence with the act, the practice privilege is effective upon application and payment of the fee; and

(2) if the certificate or license is issued by a state which is determined by the board not to be in substantial equivalence with the act, the practice privilege is effective after the board verifies that the individual's qualifications are substantially equivalent to the act.

F. Notice must be filed with the board within 30 days after an individual changes the individual's principal place of business or within 30 days after the license has been denied, revoked, or suspended in any jurisdiction.

G. Nonresident individuals are not considered to have entered this state for purposes of *Minnesota Statutes*, section 326A.14, and notice is not required under *Minnesota Statutes*, section 326A.14, if the individual's contact with this state is limited to any of the following activities:

(1) teaching either a college or continuing professional education course;

(2) delivering a lecture;

(3) moderating a panel discussion; or

(4) rendering professional services to the individual's employer or firm or to persons employed by the individual's employer or firm, including affiliated, parent, or subsidiary entities, provided the services are not rendered for the employer's or firm's clients.

H. An individual entering into an engagement to provide professional services via a Web site pursuant to *Minnesota Statutes*, section 326A.14, shall disclose, via the Web site, the individual's principal state of licensure, license number, and address.

---

---

## Proposed Rules

I. Notwithstanding the requirements of item D, an individual whose principal place of business is not in this state and who has a valid certificate or license as a certified public accountant from any state and who enters this state to render professional services for a period of time not to exceed 20 hours in a one-year period need not notify the board.

**REPEALER.** Minnesota Rules, parts 1105.0100, subpart 17; 1105.2000, subpart 3; 1105.4250; 1105.5000, subpart 2; and 1105.7600, are repealed.

**INSTRUCTION TO REVISOR.** In Minnesota Rules, part 1105.5800, change the reference to part 1105.4300 to 1105.5400.

### Executive Orders

The governor has the authority to issue written statements or orders, called Executive Orders, as well as Emergency Executive Orders. The governor's authority is specified in the *Constitution of the State of Minnesota*, Article V, and in *Minnesota Statutes* § 4.035. Emergency Executive Orders, for protection from an imminent threat to health and safety, become effective immediately, are filed with the secretary of state, and published in the *State Register* as soon as possible after they are issued. Other Executive Orders become effective 15 days after publication in the *State Register* and filing with the secretary of state. Unless otherwise specified, an executive order expires 90 days after the date the governor who issued the order vacates office.

## Office of the Governor

### Emergency Executive Order # 08-09: Declaring a State of Emergency

I, **TIM PAWLENTY, GOVERNOR OF THE STATE OF MINNESOTA**, by virtue of the authority vested in me by the Constitution and the applicable statutes, including *Minnesota Statutes 2006*, Chapter 12, do hereby issue this Executive Order:

**WHEREAS**, on May 25, 2008, a severe storm ripped through Wright, Sherburne, Hennepin, Anoka and Washington counties with hail, high winds and a likely tornado; and

**WHEREAS**, the storm moved through residential neighborhoods and resulted in severe injuries, loss of life, and damages to personal property and public infrastructure; and

**WHEREAS**, in the city of Hugo approximately 40 to 50 homes were destroyed and more than 150 to 200 homes sustained damage; and

**WHEREAS**, the city of Hugo has declared an emergency; and

**WHEREAS**, the resources of local, county and state governments must be fully utilized to insure immediate response and recovery assistance.

**NOW, THEREFORE**, I hereby order that:

# Executive Orders

---

1. A State of Emergency pursuant to *Minnesota Statutes* 2006, Section 12.31 exists in Washington County.
2. The damage is significant and additional counties may be added to the declaration as local governments have an opportunity to further assess damage from the storm.
3. The Department of Public Safety, Division of Homeland Security and Emergency Management is to continue the activation of the Minnesota Emergency Operations Plan to provide state assistance to the affected local governments.
4. All state agencies, in cooperation with appropriate federal agencies are directed to provide the assistance necessary to help local units of government respond to and recover from this emergency.

Pursuant to *Minnesota Statutes* 2006, Section 4.035, Subdivision 2, this Order is effective immediately and shall remain in effect until the emergency status no longer requires emergency response.

IN TESTIMONY WHEREOF, I have set my hand this 26<sup>th</sup> day of May, 2008.

Signed: **TIM PAWLENTY**  
**Governor**

Filed according to law:

Signed: **MARK RITCHIE**  
**Secretary of State**

## Official Notices

Pursuant to *Minnesota Statutes* §§ 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

The *State Register* also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

## Get the Most from the Official Notices

As part of our Subscriber's Service the *State Register* indexes all Official Notices, including the current volume as it grows. As a subscriber, you can open the *State Register* and click on Bookmarks in the upper left corner. You will see a list of the growing index, and have fast access to all the indices to the *State Register*. You also receive a summarized "Contracts & Grants" section of Bids still open. Subscribe today. Subscriptions cost \$180 a year (an \$80 savings). Here's what you'll get:

- **Early delivery, on Friday**
- **LINKS, LINKS, LINKS**
- **Indexes to Vols. 30, 29, 28 and 27**
- **"Contracts & Grants" Open for Bid**
- **Updates to Index to Vol. 31**
- **WORD SEARCH Capability**
- **E-mailed to you . . . its so easy**
- **Easy Access to *State Register* Archives**

We e-mail it to you, at the end-of-day on Friday, instead of waiting for the non-subscriber's issue released on Monday. Contact Cathy Hoekstra, our subscriptions manager, at (651) 297-8777, or **Fax:** (651) 297-8260, or **E-mail:** [cathy.hoekstra@state.mn.us](mailto:cathy.hoekstra@state.mn.us)

## **Minnesota State Agricultural Society Meeting of the Board of Managers June 6, 2008**

**MINNESOTA STATE FAIRGROUNDS** - The Minnesota State Agricultural Society board of managers will hold a general business meeting at 9 a.m. Friday, June 6. The Society is the governing body of the Minnesota State Fair. Agendas are available upon request by calling (651) 288-4400.

The 2008 Minnesota State Fair will run Aug. 21 through Labor Day, Sept. 1.

## **Department of Employment and Economic Development (DEED) June Public Forum on Employment Services for Persons with Disabilities**

The Minnesota State Rehabilitation Council (SRC), the Minnesota Department of Employment and Economic Development (DEED) and the City of Golden Valley Human Rights Commission will host a public forum on the employment needs of Minnesotans with disabilities, Wednesday, June 28, 2008 at City of Golden Valley City Hall.

The morning agenda includes a brief SRC business meeting from 9:00 a.m. – 9:30 a.m., followed by presentations to the council concerning the employment services needs of Minnesotans with disabilities. Comment from the public is invited during the afternoon session, from 1:00 p.m. to 6:00 p.m. The public is invited to attend and participate at any time during the day. Among topics on which comment is invited in the afternoon are the changing employment service needs of individuals with disabilities, employment needs of students with disabilities, ideas for service improvement, and the experience of individuals who have used RS services.

The State Rehabilitation Council is appointed by the Governor to advise Rehabilitation Services (RS), a branch of DEED, on statewide employment services for individuals with disabilities. The council also jointly develops program goals and priorities with DEED-RS. DEED- RS provides services to approximately 30,000 persons annually, assisting them to achieve their goals for living independently in the community, and with preparing for, finding or keeping employment they choose.

Golden Valley City Hall is located at 7800 Golden Valley Road, Golden Valley, MN 55427. Sign language interpreters and real-time captioning will be present. Persons requiring additional information or accommodations may call or e-mail Gail Lundeen: (651) 259-7364 (voice), (651) 296-3900 (TTY); **e-mail:** [gail.lundeen@state.mn.us](mailto:gail.lundeen@state.mn.us).

## **Minnesota Department of Health Division of Health Policy Notice of Intent to Adopt Exempt Rules Regarding Technical Changes to the Uniform, Standard Companion Guide for Eligibility Inquiry and Response Electronic Transactions; Pursuant to *Minnesota Statutes, Section 62J.536***

**Introduction.** Notice is hereby given that the Minnesota Department of Health (MDH) is seeking information or opinions from outside sources on technical changes to the Uniform, Standard Companion Guide for Eligibility Inquiry and Response Electronic Transactions, as developed by the Commissioner of the Department of Health in consultation with the Minnesota Administrative Uniformity Committee (AUC), and its Eligibility Technical Advisory Group.

**Contact Person.** MDH requests information and opinions concerning the applicability and functionality of technical changes to the Uniform, Standard Companion Guide for Eligibility Inquiry and Response Electronic Transactions. Interested persons or groups may submit data or views in writing. Written statements should be addressed to Colleen Morse, MDH, P.O. Box 64882, St. Paul, MN 55164-0822, or **e-mail** at: [colleen.morse@health.state.mn.us](mailto:colleen.morse@health.state.mn.us) or **fax:** (651) 201-5179.

# Official Notices

---

**Description of the Rules.** *Minnesota Statutes*, section 62J.536, requires the Minnesota Commissioner of Health, in consultation with the Minnesota Administrative Uniformity Committee, to promulgate rules pursuant to section 62J.61 establishing and requiring group purchasers and health care providers to use electronic claims and eligibility transactions with a single, uniform companion guide to the implementation guides described under *Code of Federal Regulations*, title 45, part 162. The statute requires that beginning January 15, 2009: all group purchasers must accept from health care providers the eligibility for a health plan transaction described under *Code of Federal Regulations*, title 45, part 162, subpart L; and all group purchasers must also transmit to providers the eligibility for a health plan transaction as described under *Code of Federal Regulations*, title 45, part 162, subpart L. The statute also requires that beginning January 15, 2009, all health care providers must: submit to group purchasers the eligibility for a health plan transaction described under *Code of Federal Regulations*, title 45, part 162, subpart L; and all health care providers must also accept from group purchasers the eligibility for a health plan transaction, as described under *Code of Federal Regulations*, title 45, part 162, subpart L. The statute further requires that each transaction described above shall use a single, uniform companion guide to the implementation guide described under the *Code of Federal Regulations*, title 45, part 162. In addition, the statute requires all group purchasers and health care providers to exchange claims and eligibility information electronically using the transactions, companion guides, implementation guides, and timelines set forth in subdivision 1 of the statute. The statute requires the Commissioner of Health to promulgate rules pursuant to section 62J.61, at least 12 months prior to the timelines required in subdivision 1 of *Minnesota Statutes*, section 62J.536. Under *Minnesota Statutes*, section 62J.61, the Commissioner of Health is exempt from chapter 14, including section 14.386, in implementing sections 62J.50 to 62J.54, subdivision 3, and 62J.56 to 62J.59. A Notice of Adoption of the above referenced rules was published in the Minnesota State Register on December 10, 2007 and took effect on January 8, 2008. The Commissioner of Health, in consultation with the AUC and its Eligibility Technical Advisory Group, has determined that it is necessary to make technical changes to the previously promulgated rule in order to provide additional clarification to the transaction. Because the Commissioner of Health has determined that it is unduly cumbersome to publish the entire text of the proposed technical changes to the rules, the Commissioner of Health is publishing this notice of the proposed technical changes to the rules with a detailed description.

**Public Review Process.** MDH will provide free copies of a redline version of the Uniform, Standard Companion Guide for Eligibility Inquiry and Response Electronic Transactions, in paper or electronic PDF format, to persons and organizations interested in reviewing them. The Companion Guide will be available as of Monday, June 2, 2008. **Comments and suggestions for improvements on this document will be accepted at the above address until 4:00 PM Tuesday, July 1, 2008.** After the Commissioner of Health has considered all comments received, the Commissioner will publish a notice of adoption in the State Register. The rules will take effect 30 days subsequent to that notice.

**How to Obtain the Uniform, Standard Companion Guide for Eligibility Inquiry and Response Electronic Transactions;** A free copy of the proposed technical changes to the rules is available upon request. Persons who wish to obtain a paper copy should call Colleen Morse at MDH: (651) 201-3570, or fax a request to (651) 201-5179, or write to the address above. The document will also be available for downloading on the World Wide Web at: <http://www.health.state.mn.us/asa/index.html>

Dated: June 2, 2008

Sanne Magnan, M.D., Ph.D., Commissioner  
P.O. Box 64975, St. Paul, MN 55164-0975

## Modifications:

Modifications from the version adopted in the *State Register*, Volume 32, Number 24, page 1048, December 10, 2007 have been made to the following:

### Front Cover

### Table of Contents

### Companion Guide Revision History

#### 4.1.2 Applicability Section

#### 4.1.5 Key Terminology Used in This Companion Guide Section

##### 4.1.5.1 Required Loops, Segments and Data Elements Section

##### 4.1.5.2 Situational Loops, Segments, and Data Elements Section

##### 4.1.5.3 Segments and Data Elements Classified as Not Considered for Processing (NCFP) Section

#### 4.1.6 Addressing Code Set Issues in the Companion Guide Section

##### 4.2.2.2 271 Transaction Section

#### 4.2.4 Provider Identifiers and NPI Assignments Section

#### 4.5 General Introduction to the Companion Guide Tables Section

#### 4.5.2 Relationship Between HIPAA Implementation Guide and the Minnesota Usage Classification Given in Companion Guides.

**Department of Human Services****Minnesota Board on Aging****Aging and Adult Services Division****Notice of Request for Comment on Proposed Minnesota State Plan on Aging  
FFY 2009-2012**

The Minnesota Board on Aging requests comments on a proposed four-year State Plan on Aging (for federal fiscal years 2009-2012). The Minnesota Board on Aging is required to submit a new state plan to the U.S. Administration on Aging (AoA) on July 1, 2008. The state plan needs to address the ways in which the Minnesota Board on Aging is helping to prepare the state for the aging of the population. The state plan also needs to articulate the ways in which the AoA Choices for Independence principles are being implemented. Outlined below are the five proposed Goals for the State Plan on Aging.

- Goal 1:** Empower older adults and their families to make informed decisions about, and be able to easily access, home and community-based services.
- Goal 2:** Enable older adults and family caregivers to sustain their community living by accessing flexible, affordable and effective services.
- Goal 3:** Empower older adults and family caregivers to manage their own health risks.
- Goal 4:** Ensure the rights of older adults and prevent their abuse, neglect and exploitation.
- Goal 5:** Partner with communities to prepare for the aging of the population.

The thirty-day public comment period begins June 2, 2008 and ends at 4:30 p.m. on June 30, 2008. The full text of the proposed State Plan on Aging is available by contacting:

Jean Wood, Executive Director  
Minnesota Board on Aging  
Aging and Adult Services Division  
P.O. Box 64976  
St. Paul, MN 55164-0976

**Department of Human Services****Health Care Purchasing and Delivery Systems Division****Health Care Administration****Public Notice of Maximum Allowable Costs of Medical Assistance Outpatient  
Prescribed Drugs**

**NOTICE IS HEREBY GIVEN** to recipients, providers of services, and to the public of additions to the state Medical Assistance maximum allowable cost (state MAC) list for certain outpatient prescribed drugs.

At least once each calendar year, the United States Department of Health and Human Services, Centers for Medicare & Medicaid Services, publishes a federal upper limit (FUL) payment schedule for many commonly prescribed multiple-source drugs. The federal upper limit is set at a rate equal to 150 percent of the published price for the least costly therapeutic equivalent that can be purchased by pharmacists. This FUL payment schedule constitutes the federal MAC list. For many multiple-source drugs that are not on the federal MAC list, the Department establishes a state MAC list. Additionally, the Department imposes a state MAC for many multiple-source drugs that are on the federal MAC list, as long as the savings are at least as much as the savings would be using the federal MAC list.

The Department requires Medical Assistance pharmacy providers to submit their usual and customary costs. Pharmacy providers are reimbursed at the lower of: 1) the federal or state MAC, plus a dispensing fee; 2) the submitted usual and customary charge to the general public; or 3) a discount off of average wholesale price, plus a dispensing fee.

# Official Notices

---

The Department expects to apply a MAC to Ropinirole HCL and Acarbose no earlier than June 3, 2007. There will be a change to the reimbursement rate from the branded drug schedule to the MAC list.

These additions are made to bring Medical Assistance reimbursement to pharmacists more closely in line with the actual acquisition cost of the drugs listed above. The Department estimates that there will be a state savings of \$10,000 for State Fiscal Year 2007 (July 1, 2007 through June 30, 2008).

This notice is published pursuant to *Code of Federal Regulations*, Title 42, section 447.205, which requires publication of a notice when there is a rate change in the methods and standards for setting payment rates for Medical Assistance services.

Written comments and requests for information may be sent to Kristin Young, Pharmacy and Program Manager, Health Care Purchasing and Delivery Systems Division, Health Care Administration, Minnesota Department of Human Services, P.O. Box 64984, St. Paul, Minnesota 55164-0984; **phone:** (651) 431-2504 or **e-mail:** [kristin.c.young@state.mn.us](mailto:kristin.c.young@state.mn.us)

## Minnesota Department of Natural Resources (DNR) Notice of Hearing on Sale of State Land

**NOTICE IS HEREBY GIVEN**, that pursuant to *Minnesota Statutes*, section 97A.135, subd. 2a, a hearing will be held by the Department of Natural Resources, in the conference room at the DNR NW Regional Office, 2115 Birchmont Beach, Bemidji, Minnesota, on July 9, 2008 at 10:00 a. m.

The purpose of the hearing is for public input regarding the sale of state land situated in the County of Marshall, and described as:

A strip of land two rods wide, one rod on either side of the quarter line running north and south through Section Fourteen (14) in Township One Hundred and Fifty-seven (157) North of Range Forty-two (42) West of the Fifth Principal Meridian and being all in the SE1/4 NW1/4 and the W1/2 of NE1/4 of said Section 14, Twp. 157 N., R. 42 W

*Minnesota Statutes*, section 97A.135, subd. 2a, requires that a public hearing be held before lands within a Wildlife Management Area can be disposed of through sale or exchange. The parcel is designated as part of Cedar Wildlife Management Area.

It is proposed that this parcel of land be offered for sale by Marshall County in a public sale. This parcel is no longer needed for resource management purposes. If, after public hearing, the disposal of the land is in the public interest, the Commissioner of Natural Resources may vacate the parcel from Wildlife Management Area designation.

Questions regarding this proposal can be directed to Jodi Dehn at (651) 259-5391, or e-mail: [Jodi.Dehn@dnr.state.mn.us](mailto:Jodi.Dehn@dnr.state.mn.us) .

Dated May 27, 2008

Kathy A. Lewis, Assistant Director  
Division of Lands and Minerals

## Department of Natural Resources Identification of Known Calcareous Fens Order No. 08-001

Pursuant to the provisions of *Minnesota Statutes*, section 103G.223, the following described lands contain calcareous fens as defined in *Minnesota Rules*, part 8420.1020. This is a revision of Identification Order No. 005-01, which was published in the *State Register* on March 14, 2005 (29 SR 1061 – 1065). Newly discovered calcareous fens have been added and one previously listed wetland has been dropped. The names and listings for some previously listed calcareous fens have been revised and consolidated for clarity.

# Official Notices

Additional sites may be added to this list as new calcareous fens are discovered and existing sites may be removed from the list if it is determined that the wetland no longer meets the definition of a calcareous fen. Future revisions to the list will be published in the *State Register*. The current list will also be posted on the DNR's web site at:

[http://files.dnr.state.mn.us/publications/waters/Calcareous\\_Fen\\_List.pdf](http://files.dnr.state.mn.us/publications/waters/Calcareous_Fen_List.pdf)

COUNTY	Calcareous Fen Site Name	Fen ID	LOCATED IN:		
		No.	Township	Range	Section(s)
<b>Becker</b>					
	Spring Creek WMA South	251	T142N	R42W	SWNE12, NWSE13, NENE13
	White Earth 5	34594	T142N	R41W	NW05
	White Earth 1	34595	T142N	R41W	NE06
	Waubun WMA South	19190	T142N	R42W	NENE01
	Anderson WPA	28540	T139N	R42W	NWNE01
	Pederson WPA	34161	T142N	R41W	SWNW29
<b>Big Stone</b>					
	Stony Run	19784	T121N	R45W	ESENE19
<b>Carver</b>					
	Seminary Fen	20977	T116N	R23W	SWNESE34, SW35, NESWSW35
<b>Chippewa</b>					
	Chippewa River Fen	18688	T118N	R41W	SWSE23
	Kragero 26	26001	T119N	R42W	NESW26
	Watson Sag East	18689	T119N	R42W	SE36
	Tunsberg 10	25999	T118N	R41W	SWNW10
	Montevideo Fen	26005	T117N	R41W	NESW01
	Rosewood 31	25195	T118N	R40W	NESE31
	Watson Sag SW	18687	T118N	R41W	SESW16
	Watson Sag East	18692	T118N	R41W	NWNW06
	Zion Church Prairies	18686	T118N	R41W	NSW06
<b>Clay</b>					
	Barnesville Swamp Humboldt 1	13722	T137N	R45W	SESE01
	Barnesville Swamp Tansem 18NW	246	T137N	R44W	NWNW18
	Barnesville Swamp Tansem 18SW	6625	T137N	R44W	SWSW18
	Barnesville Swamp Tansem 7a	18814	T137N	R44W	SESWSW07
	Barnesville Swamp Tansem 7b	1973	T137N	R44W	NSW07
	Felton Prairie B Bar B Ranch	252	T141N	R46W	E13
	Felton Prairie County Land	7726	T142N	R45W	SNW31
	Felton Prairie Felton WMA	247	T142N	R46W	ESE36
	Felton Prairie Flowing 24	7723	T141N	R46W	WNWSE24
	Haugtvedt WPA South Unit	21259	T137N	R44W	SWSE32
<b>Clearwater</b>					
	Clearbrook Fen	249	T149N	R37W	NW17
<b>Cottonwood</b>					
	Delton 20	31977	T107N	R35W	SESE20
	Amo 13	31985	T106N	R37W	SWSW13
	Storden 21	33992	T107N	R37W	SWNW21

# Official Notices

## Dakota

Black Dog Lake Fen - a	242	T027N	R24W	NW34, NWNE34
Black Dog Lake Fen - b	14373	T027N	R24W	NNW34
Black Dog Lake Fen - c	31929	T027N	R24W	SESE27, NENE34
Black Dog Lake North	16550	T027N	R24W	SENE24
Gun Club Lake North	20941	T028N	R23W	WSE33
Gun Club Lake South	244	T027N	R23W	W04
Nicols Meadow Fen - a	243	T027N	R23W	NESW18
Nicols Meadow Fen - b	20942	T027N	R23W	NWSESW18
Nicols Meadow Fen - c	20943	T027N	R23W	SWSESW18

## Dodge

Pheasants Forever WMA	28257	T107N	R17W	SWSE24
Wasioja WMA	28258	T107N	R17W	SESWSW17

## Fillmore

Chester Fen	9623	T101N	R13W	SW24
-------------	------	-------	------	------

## Goodhue

Holden 1 West	13336	T110N	R18W	SENW01
Perched Valley Wetlands	13101	T112N	R13W	SENWSW08
Red Wing 21	14378	T113N	R15W	SSE21
Wanamingo 22	29025	T110N	R17W	NW22

## Houston

Houston 26	14371	T104N	R06W	NNW26
Sheldon 16	15209	T103N	R06W	NWNE16

## Jackson

South Heron Lake Wetlands	9198	T103N	R36W	NESESW29
Des Moines River North	2892	T103N	R35W	NWNW08
Kilen Complex	239	T103N	R35W	SENW17
Belmont 7NE	240	T103N	R35W	NENE07
Belmont 7SE	24443	T103N	R35W	NESE07
Petersburg Prairie SE27	25443	T101N	R34W	NWSE27
Petersburg Prairie SE26	34047	T101N	R34W	NE26

## Kandiyohi

New London 24	31989	T121N	R34W	SWNWNE24
Genessee 21	25251	T119N	R33W	SENESE21
Regal Meadow	28864	T122N	R33W	SWSE15

## Koochiching

Lost River Fens	13725	T155N	R29W	E35, ESE35, SENE35, WNW36, WSW36
Forest Grove Fens	34581	T152N	R29W	WNW03, NWSW03, NENE04
Nett Lake Fens	34580	T065N	R22W	SESE28, SSW28, NNW33, NE33, NESE33, WNW34, NWSW34
Hay Creek Fens	34585	T154N	R27W	SWSW22, NENW27

# Official Notices

## Le Sueur

Ottawa Fens	13725	T110N	R26W	NWSE03, NWNW11, ESWSE11, NWSE14, NNNE14
Kasota 7	34551	T109N	R26W	SWNW07

## Lincoln

Altona WMA North	34552	T109N	R45W	NESWSW31
------------------	-------	-------	------	----------

## Lyon

Shelburne 22	28259	T109N	R43W	SE22
Island Lake 23 - a	34040	T111N	R43W	NE23
Island Lake 23 - b	34042	T111N	R43W	NWNW24, NENE23

## Mahnomen

Rosedale 36	15996	T144N	R41W	SE36
Waubun WMA	13721	T143N	R42W	NWSW25
Waubun WMA - South	19190	T143N	R42W	SESE36
Waubun WMA East - a	19130	T143N	R41W	SE30, ENE31
Waubun WMA East - b	19186	T143N	R41W	SWSE30
Waubun WMA East - c	19185	T143N	R41W	NENWNE31
Waubun WMA East - d	27834	T143N	R41W	SWNE31, NENW31

## Marshall

Tamarac River	14381	T157N	R46W	SESW02
Viking 18	14377	T155N	R45W	NE18
Viking 20	15297	T155N	R45W	SESWNW20
Viking Strip 4	14379	T154N	R45W	NW04

## Martin

Perch Creek WMA	1228	T104N	R30W	SWSE07
-----------------	------	-------	------	--------

## Murray

Moulton 11	13672	T105N	R43W	SWSE02
Sarah Mason WMA	33456	T108N	R41W	NWSW33

## Nicollet

Fort Ridgely State Park	1225	T111N	R32W	NWSE06
Le Sueur Fen	1227	T111N	R26W	NENE16

## Nobles

Westside 11 (Adrian)	10568	T102N	R43W	SWSW11
----------------------	-------	-------	------	--------

## Norman

Agassiz-Olson WMA	13677	T146N	R45W	SWNW22
Faith WMA - a	13674	T144N	R43W	SENW26
Faith WMA - b	13675	T144N	R43W	NW35
Faith Prairie	7893	T144N	R43W	SWNW25
Green Meadow 22	6131	T145N	R45W	SESE22
Green Meadow 26	3942	T145N	R45W	WNW26
Green Meadow 35	13676	T145N	R45W	SW36, SESE35

## Olmsted

High Forest 15	8275	T105N	R14W	NENENE15
Dover 13	2936	T106N	R12W	NENESW13

# Official Notices

Dover 7	8257	T106N	R11W	NESWSW07
High Forest 35	8276	T105N	R14W	NENESW35
Marion 8	31964	T106N	R13W	NWSW8
Joyce Park Fen	31964	T106N	R13W	NWSW8
Marion 30	8274	T106N	R13W	NWSWNW30
Nelson Fen WMA	13727	T105N	R15W	SWSE16
Rochester 23	31980	T106N	R14W	SWNW23
Rock Dell 23 Fens	20563	T105N	R15W	NW23, SWNWNW23
Haverhill 19	31983	T107N	R13W	NENW19

## Otter Tail

Eagle Lake 22 SW	31197	T131N	R40W	NWSW22
Eagle Lake 27 NW	31199	T131N	R40W	NWNW27
Eagle Lake 28	31198	T131N	R40W	NENE28
Eagle Lake 22 SE	31200	T131N	R40W	SESE22
Eagle Lake 27 NE	31201	T131N	R40W	SENE27
Haugtvedt WPA South Unit (Ottetail)	21259	T136N	R44W	NENE6
Henning 18	31206	T133N	R38W	SENWSW18, SWNESW18
Erlandson WMA	28155	T131N	R43W	SENE25
Aastad 23	28156	T131N	R43W	SWSW23

## Pennington

Sanders Fen North	14301	T153N	R44W	WNE07, EWSE07
Sanders Fen South	14297	T153N	R44W	SE18, NE19
Norden 18	34586	T154N	R44W	SESW18

## Pipestone

Burke WMA	10566	T106N	R44W	SESE28
Altona WMA South	13726	T108N	R46W	NENW01
Aetna 29 W	33874	T108N	R44W	SWSW29
Rock 33	34549	T107N	R44W	NESW22
Osborne 22	34550	T105N	R44W	NESW22
Rock 5 NE	34553	T107N	R44W	NWNE05
Rock 5 South Fens	34555	T107N	R44W	SESW05, NESW05, SWSWSE05
Burke 28	34556	T106N	R44W	NWNESW28

## Polk

Chicog WMA East	6403	T148N	R45W	NWSWSE28, SWNE33, NENE33,
Chicog WMA West	6405	T148N	R45W	NE29, WSE20
Enerson WMA	16306	T149N	R40W	NENW17
Godfrey Prairie	16268	T148N	R44W	NWSE09, NE09
Gully 27	16326	T150N	R39W	SWNE27
Gully 22	16303	T150N	R39W	NE22, WSE22
Gully 23	16307	T150N	R39W	SE23
Gully 25	16312	T150N	R39W	NWNE25
Kertsonville WMA	6402	T149N	R45W	SSESW16
Chester 29	18396	T150N	R40W	S29
Kittleson Creek Mire	10149	T147N	R44W	SS06, OW07
Onstad WMA	16270	T147N	R45W	W01
Pankratz Prairie South	245	T149N	R45W	SWNE17
Pembina Trail: Crookston	1226	T149N	R44W	SSW19

# Official Notices

Pembina Trail: TNC	17211	T149N	R44W	ESWNW30
Onstad Beach Ridges	33545	T148N	R45W	NE08
<b>Pope</b>				
Ordway Prairie Lake Johanna 29	13682	T123N	R36W	SWSW29
Blue Mounds 15 - a	13755	T124N	R39W	SW14, SESE15
Blue Mounds 15 - b	28931	T124N	R39W	SESE15
Ordway Prairie Lake Johanna 30	27364	T123N	R36W	NENESW30
Ordway Prairie	11550	T123N	R36W	SENW30
Ordway Prairie Gilchrist 25	28889	T123N	R37W	SENESE25
Nora 29	30146	T126N	R40W	NESW29
Gilchrist 26	28896	T123N	R37W	SWNE26
<b>Redwood</b>				
Swedes Forest 19	13724	T114N	R37W	SW20, NESE19
Redwood Fen	13723	T114N	R37W	SW22, NENW27
<b>Rice</b>				
Rice County Wilderness Area Bridgewater 34	238	T111N	R20W	NE34
Rice County Wilderness Area Bridgewater 22	12448	T111N	R20W	SESENE22
<b>Roseau</b>				
Bemis Swamp	13668	T160N	R38W	ENW01, SWNE01
Bemis Swamp East	13669	T161N	R37W	SWSE29, NWNE32
Pine Creek Peatland	34584	T164N	R41W	SW25, NWSE25
Sprague Creek Fens	34583	T164N	R40W	S34, NW34, SNE 34, WSW35, SWNW 35
<b>Scott</b>				
Savage Fen	241	T115N	R21W	SNE17, SENW17, SWNW16
<b>Stearns</b>				
Big Lake SW	24729	T123N	R31W	NESWSW33
Roscoe North	24694	T123N	R32W	NESE24
Spring Hill Fen	24043	T124N	R33W	N16, SE16, NWSW15
St. Wendel Swamp SW	23987	T125N	R29W	S17
<b>Steele</b>				
Pogones WMA	28256	T105N	R19W	NWNWSE18
<b>Swift</b>				
Do Not Enter Fen - a	27178	T122N	R37W	NE12, NWSE12
Do Not Enter Fen - b	27114	T122N	R37W	NESW12
Kerkhoven 11NE	27113	T122N	R37W	SENE11
Kerkhoven 2	27109	T122N	R37W	SWSE02
Kerkhoven 11NW	27112	T122N	R37W	NENW11
<b>Wabasha</b>				
McCarthy Lake	31975	T109N	R10W	W02
<b>Wilkin</b>				
Anna Gronseth Prairie - Akron 10	7072	T134N	R45W	W10
Rothsay Prairie Tanberg 16	7074	T135N	R45W	ENW16, E16

# Official Notices

---

Rothsay Prairie Tanberg 9	7073	T135N	R45W	ENE09
Rothsay Prairie - Prairie View 33	7070	T136N	R45W	S33
Rothsay WMA - Akron 4	7040	T134N	R45W	NE04
Town Hall Prairies	7071	T134N	R45W	NENW15

## Winona

Wischoy 15	10569	T105N	R07W	SESW15
Wischoy Valley East	18395	T105N	R07W	SNWSW03

## Yellow Medicine

Fortier 6	19337	T114N	R46W	SEWSE06
Fortier 5	19334	T114N	R46W	SEWSW05
Fortier 20	27211	T114N	R46W	SESENW20
Fortier 22 Fens	2758	T114N	R46W	SWNWSW22
Fortier 8	19331	T114N	R46W	SWSWSW08
Mound Springs Prairie	250	T115N	R46W	NE18
Sioux Nation WMA	248	T114N	R46W	W17

**NOW THEREFORE, IT IS HEREBY ORDERED** that calcareous fens are identified as described above.

Dated: May 6, 2008

Mark Holsten, Commissioner  
Department of Natural Resources

## Minnesota Racing Commission

### REQUEST FOR COMMENTS on Possible Amendment to Rules Governing Horse Racing, *Minnesota Rules*, 7877 Class C Licenses; 7878 Security Officers; 7891 Horse Examinations; 7892 Medical Testing; 7895 Breeders' Fund

**Subject of Rules.** The Minnesota Racing Commission requests comments on its possible amendment to rules governing horse racing. The Commission is considering rule amendments that consolidate some Class C licensing fees into fewer categories, increase the fee for the multiple license type of Owner/Driver/Trainer to a level that is more consistent with the fees associated with those individual types, identify guidelines for postmortem examinations of horses, redefine blood and/or urine testing of horses, identify regulatory guidelines for split sample testing for TC02, and identify guidelines for late registration of standardbred foals.

**Persons Affected.** The amendment to the rules would likely affect Class C licensees, including employees of Class A & B Licensees, horse owners, breeders, trainers, and drivers.

**Statutory Authority.** *Minnesota Statutes*, sections 240.08, 240.10, 240.18, 240.23, 240.24, authorize the Racing Commission to amend rules which affect the integrity of racing or the public health, welfare, or safety.

**Public Comment.** Interested persons or groups may submit comments or information on these possible rules in writing or orally until further notice is published in the *State Register* that the Commission intends to adopt or to withdraw the rules. The Commission does not contemplate appointing an advisory committee to comment on the possible rules.

**Rules Drafts.** The Commission has prepared a draft of the possible rules amendments.

**Agency Contact Person.** Written or oral comments, questions, requests to receive a draft of the rules, and requests for more information on these possible rules should be directed to:

Richard G. Krueger, Executive Director  
Minnesota Racing Commission  
P. O. Box 630



























