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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 3608

February 28, 2008

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

1.1 A bill for an act
1.2 relating to human services; creating a special revenue fund for the surcharge
1.3 on licensed nursing home beds; amending Minnesota Statutes 2006, section
1.4 256.9657, by adding a subdivision; proposing coding for new law in Minnesota
1.5 Statutes, chapter 16A.

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

1.7 Section 1. **[16A.726] NURSING HOME SURCHARGE FUND.**

1.8 Subdivision 1. **Creation of fund.** A nursing home surcharge fund is created in the
1.9 state treasury. The fund is a direct appropriated special revenue fund. The commissioner
1.10 shall deposit to the credit of the fund money made available to the fund. Notwithstanding
1.11 section 11A.20, all investment income and all investment losses attributable to the
1.12 investment of the nursing home surcharge fund not currently needed shall be credited to
1.13 the nursing home surcharge fund.

1.14 Subd. 2. **Purpose of fund.** The purpose of the nursing home surcharge fund is to
1.15 finance operating rate increases for nursing facilities in Minnesota under section 256B.434,
1.16 in addition to forecasted spending increases. Money in the fund shall be used solely for
1.17 this purpose except that money in the fund may be used for compensation-related costs
1.18 for employees directly employed by the nursing facility.

1.19 Subd. 3. **Prohibition on nonnursing home transfers from fund.** Notwithstanding
1.20 any law to the contrary, money in the nursing home surcharge fund shall be appropriated
1.21 only for purposes that are consistent with past and current nursing home operating rate
1.22 appropriations as described by section 256B.434.

1.23 Subd. 4. **Nursing home surcharge funding.** The commissioner of human services
1.24 may expend money appropriated from the nursing home surcharge fund for nursing home
1.25 operating rates in either year of the biennium.

2.1 Sec. 2. Minnesota Statutes 2006, section 256.9657, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 1d. **Purpose of surcharge.** The purpose of the funds collected by the
2.4 surcharge in subdivision 1 is to finance the nursing home surcharge fund in section
2.5 16A.726.