

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1984

SIXTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 29, 1984

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Ray Peterson, Gethsemane Lutheran Church, Hopkins, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Ellingson	Kostohryz	Pauly	Simoneau
Anderson, G.	Erickson	Krueger	Peterson	Skoglund
Anderson, R.	Evans	Kvam	Piepho	Solberg
Battaglia	Findlay	Larsen	Piper	Sparby
Beard	Fjoslien	Levi	Price	Stadum
Begich	Forsythe	Long	Quinn	Staten
Bennett	Frerichs	Ludeman	Quist	Swiggum
Bergstrom	Graba	Mann	Redalen	Swanson
Bishop	Greenfield	Marsh	Reif	Thiede
Blatz	Gruenes	McDonald	Rice	Tomlinson
Boo	Gustafson	McEachern	Riveness	Turheim
Brandl	Gutknecht	McKasy	Rodosovich	Uphus
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valan
Burger	Heap	Minne	Rodriguez, F.	Valento
Carlson, D.	Heinitz	Munger	Rose	Vellenga
Carlson, L.	Himle	Murphy	St. Onge	Waltman
Clark, J.	Hoffman	Nelson, D.	Sarna	Welch
Clark, K.	Hokr	Nelson, K.	Schafer	Welker
Clawson	Jacobs	Neuenschwander	Scheid	Welle
Cohen	Jennings	Norton	Schoenfeld	Wenzel
Coleman	Jensen	O'Connor	Schreiber	Wigley
Dempsey	Johnson	Ogren	Seaberg	Zaffke
DenOuden	Kalis	Olsen	Segal	Speaker Sieben
Dimler	Kelly	Omann	Shaver	
Eken	Knickerbocker	Onnen	Shea	
Elioff	Knuth	Osthoff	Sherman	

A quorum was present.

Halberg, Hoberg, Kahn, Otis, Vanasek and Voss were excused.

Wynia was excused until 3:35 p.m.

The Chief Clerk proceeded to read the Journals of the preceding day. Osthoff moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1032, 1153, 1421, 1532, 347, 1620, 1652, 1668, 1700, 1703, 1722, 1781, 1843, 1944, 1999, 1345, 1420, 1425, 1509, 1527, 1663, 1670, 1824, 1859, 1916, 1937, 1939, 1981 and 432 and S. F. Nos. 1350 and 1562 have been placed in the members' files.

S. F. No. 1350 and H. F. No. 1504, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clawson moved that the rules be so far suspended that S. F. No. 1350 be substituted for H. F. No. 1504 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 585, A bill for an act relating to commerce; art; regulating the sale of fine prints; providing sales and advertising disclosures; prescribing penalties; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [324.01] [DEFINITIONS.]

As used in sections 1 to 5:

(1) *"artist" means the person who conceived or created the master image for, or which served as model for, the print;*

(2) *"catalog" means an advertising medium published by a single individual or firm which solicits consumers to order fine prints through the mail or by telephone. Magazines, circulars, and newspapers are not considered catalogs;*

(3) *"edition" means the number of fine prints made from the plate or negative during a single run;*

(4) *"fine print" or "print" means the product created by an artist by a process commonly used in graphic or photographic arts, including, but not limited to, engraving, etching, wood-cutting, lithography, serigraphy, or photography;*

(5) "impression" means the printed image on suitable material, whether paper or any other substance, made off the plate or negative by printing, stamping, casting, developing, or any other process commonly used in the graphic or photographic arts;

(6) "plate" includes any plate, stone, block, or other material created by the artist, used for the purpose of creating the print from which the impression or impressions were taken;

(7) "negative" includes any negative, photographic plate, slide, or other material created by the artist and used for the purpose of creating the print from which the impression or impressions were taken;

(8) "reproduction" means a copy of an original or a copy of a print made by a commercial mechanical process; and

(9) "signed fine print" means a fine print autographed by the artist, irrespective of whether it was signed or unsigned in the plate or negative.

Sec. 2. [324.02] [EXCEPTIONS.]

Sections 1 to 5 do not apply to:

(1) prints which are printed prior to the effective date of sections 1 to 5; or

(2) prints which are not offered for sale by means of a catalog and which are not alleged to be numbered or limited editions and signed by the artist; or clearly and conspicuously described as reproductions; and

(3) prints which are sold or offered at a price less than \$250.

Sec. 3. [324.03] [ACTS PROHIBITED; DISCLOSURE STATEMENTS.]

Subdivision 1. [ADVERTISING DISCLOSURES.] No catalog offering fine prints for sale in this state shall be knowingly published or distributed, or both, unless it clearly and conspicuously discloses the relevant informational detail as required by section 4 concerning each edition of the prints so offered or states that the relevant information is available on request.

Subd. 2. [ADVERTISING DISCLAIMER.] If the person offering fine prints by means of a catalog disclaims knowledge as to any relevant detail referred to in section 4, that person shall so state the information is unknown or not available.

Describing the edition as an edition of "reproauctions" eliminates the need to furnish further informational details unless the edition was allegedly published in a numbered, or limited edition, and signed by the artist, in which case all of the informational details are required to be furnished.

Subd. 3. [SALES DISCLOSURES.] No fine print may be knowingly sold in this state by any person unless a written invoice or receipt for the purchase price or a certificate furnished to the purchaser clearly and conspicuously discloses all of the relevant informational details required under section 4; or the seller states or clearly and conspicuously posts that the relevant information is available on request.

Subd. 4. [SALES DISCLAIMER.] If the seller disclaims knowledge as to any relevant detail referred to in section 4, he or she shall so state the information is unknown or not available. Describing the print as a "reproduction" eliminates the need to furnish information details unless it was allegedly published in a numbered, or limited edition, and signed by the artist, in which case all of the informational details are required to be furnished.

Sec. 4. [324.04] [INFORMATIONAL DETAIL.]

The following informational detail is required under section 3:

(1) the name of the artist and the year when the fine print was printed;

(2) the authorized maximum number of artist's, publisher's, printer's, or other proofs, if any, outside of the regular edition and the total size of the edition;

(3) Whether the plate or negative has been destroyed, altered, or defaced, after the latest edition;

(4) if there were any prior fine prints of the same impression, utilizing a different process, paper, media, or color, the total number of the fine prints and designation of the fine prints;

(5) if there were any prior or later editions from the same plate or negative.

Sec. 5. [324.05] [LIABILITY.]

(a) Any person who sells a fine print and who fails to disclose the information required by section 4 is liable to the purchaser thereof in an amount equal to the purchase price of the fine print, including any sales tax paid.

(b) *In addition to the liability imposed by paragraph (a), a person who sells a fine print and who wilfully provides false information required by section 4 is liable to the purchaser in the amount of \$1,000 or in an amount equal to three times the purchase price of the fine print, whichever is greater.*

(c) *No action can be maintained to enforce any liability under this section unless the person who is injured by the failure to disclose returns the fine print in original condition to the person violating the provisions of paragraph (a) or (b) and the action is brought within one year after discovery of the violation upon which it is based and in no event more than three years after the fine print was sold."*

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1180, A bill for an act relating to local government; requiring notice of and hearings on increases in certain license fees; proposing new law coded in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, lines 10 and 11, delete "*engage in a business or commercial activity*" and insert "*own or operate a vending machine or to dispense goods or services therefrom*"

Page 1, line 14, before the period insert "*, excluding Saturdays, Sundays, and legal holidays*"

Page 1, line 15, delete everything after "*charter*"

Page 1, line 16, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1264, A bill for an act relating to commerce; regulating pipefitters and pipefitting; regulating pressure vessels;

amending Minnesota Statutes 1982, sections 183.56; 326.46; 326.47; 326.48; 326.49; and 326.50.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 326.46, is amended to read:

326.46 [DEPARTMENT OF LABOR AND INDUSTRY TO SUPERVISE (STEAM) PIPING.]

The department of labor and industry shall supervise all high pressure (STEAM) piping (IN CONNECTION WITH ALL BUILDING) *used on all projects* in this state, and may prescribe minimum standards which shall be uniform.

The department shall employ inspectors and other assistants to carry out the provisions of sections 326.46 to 326.52.

Sec. 2. [326.461] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of sections 1 to 6, the following terms have the meanings given them.

Subd. 2. [HIGH PRESSURE PIPING.] “High pressure piping” means all high pressure piping used in the installation of hot water or steam heating boilers, any systems of piping hot water for heating or chilled water for cooling, or any system of high pressure steam piping, but shall not include any high pressure piping under the direct jurisdiction of the United States.

Subd. 3. [MUNICIPALITY.] “Municipality” means a statutory or home rule charter city.

Sec. 3. Minnesota Statutes 1982, section 326.47, is amended to read:

326.47 [(CITY MAY PROVIDE FOR INSPECTION; PERMIT) APPLICATION, PERMIT, FILING, AND INSPECTION FEES.]

(ANY CITY MAY, BY ORDINANCE, PRESCRIBE RULES AND REGULATIONS FOR MATERIALS, CONSTRUCTION, AND INSPECTION OF HIGH PRESSURE STEAMFITTING AND PROVIDE THAT IT SHALL NOT BE INSTALLED IN ANY BUILDING EXCEPT IN ACCORDANCE WITH PLANS APPROVED OR PROVIDED IN THE ORDINANCES.

AND THAT NO STEAMFITTING SHALL BE DONE EXCEPT MINOR REPAIRS UPON PRESCRIBED CONDITIONS.)

(SUCH LOCAL AUTHORITY AS MAY BE DESIGNATED BY ANY SUCH ORDINANCE FOR THE ISSUANCE OF SUCH STEAMFITTING PERMITS AND SUCH APPROVED PLANS SHALL REPORT TO THE DEPARTMENT OF LABOR AND INDUSTRY PERSISTENT OR WILFUL VIOLATIONS OF THE SAME AND ANY INCOMPETENCY OF A LICENSED STEAMFITTER OBSERVED BY SUCH LOCAL AUTHORITY.)

Subdivision 1. [REQUIRED PERMIT.] No person, firm, or corporation shall construct or install high pressure piping systems without first filing an application for a permit with the department of labor and industry or a municipality that has complied with subdivision 2. Projects under construction prior to August 1, 1984, are not required to obtain a permit.

Subd. 2. [PERMISSIVE MUNICIPAL REGULATION.] A municipality may, by ordinance, prescribe rules for materials, construction, and inspection of high pressure piping systems and provide that it shall not be constructed or installed except in accordance with plans approved by the municipality or as provided in the ordinance. The authority designated by the ordinance for issuing high pressure piping permits and approving plans must report to the department of labor and industry all violations of state high pressure piping standards.

A municipality may not adopt an ordinance with high pressure piping standards that does not conform to the minimum uniform standards prescribed by the department of labor and industry. The department of labor and industry shall specify by rule the minimum qualifications for municipal inspectors.

Subd. 3. [SURCHARGE.] For the purpose of defraying the cost of administering sections 326.46 to 326.48, there is imposed on all municipalities except cities of the first class, that issue high pressure piping permits a surcharge on the filing fees, inspection fees and permits issued after December 31, 1984, in connection with the construction or installation of high pressure piping systems. If the filing, permit, or inspection fee is a fixed amount the surcharge shall be two percent of the filing fees collected or \$10, whichever is greater. If fees are not a fixed amount, the surcharge shall be two percent of the filing fees collected or \$2,000, whichever amount is lesser.

Subd. 4. [COLLECTION AND REPORTS.] Fee surcharges must be collected by each municipality. A municipality having a population greater than 20,000 people must prepare and submit quarterly to the commissioner a report of fees and surcharges

collected during the previous quarter. All other municipalities must submit reports and surcharges on a semiannual basis. The reports must be in a form prescribed by the commissioner and submitted together with a remittance covering surcharges collected. The report and surcharge are due by no later than the 15th day following the close of the period for which surcharges are being reported.

Subd. 5. [REPORTING OF PERMITS ISSUED.] *Each municipality must submit to the department of labor and industry a copy of each permit issued within ten days after issuance.*

All permits must be issued on forms prescribed by or approved by the department of labor and industry.

Subd. 6. [FILING AND INSPECTION FEES.] *The department of labor and industry must charge a filing fee set by the commissioner under section 16A.128 for all applications for permits to construct or install high pressure piping systems. The fee for inspection of high pressure piping system construction or installation shall be set by the commissioner under section 16A.128. This subdivision does not apply where a permit is issued by a municipality complying with subdivision 2.*

Sec. 4. Minnesota Statutes 1982, section 326.48, is amended to read:

326.48 [(STEAMFITTERS) PIPEFITTERS MUST BE LICENSED.]

Subdivision 1. No person, firm, or corporation shall engage in or work at the business of a contracting (STEAMFITTER) pipefitter or journeyman (STEAMFITTER) pipefitter unless licensed to do so by the department of labor and industry. (NO LICENSE SHALL BE REQUIRED FOR MINOR REPAIRS ON EXISTING INSTALLATIONS, PROVIDED THE REPAIRS SHALL BE MADE IN COMPLIANCE WITH THE PRESCRIBED MINIMUM STANDARDS OF THE DEPARTMENT OF LABOR AND INDUSTRY.) A contracting (STEAMFITTER) pipefitter may also work as a journeyman (STEAMFITTER) pipefitter.

No person, firm, or corporation shall engage in the business of installing high pressure (STEAM) piping, nor install high pressure (STEAM) piping in connection with the dealing in and selling of high pressure (STEAM) pipe material and supplies, unless, at all times, a licensed (STEAMFITTER) pipefitter, who shall be responsible for proper installation, is in charge of the high pressure (STEAMFITTING) pipefitting work of the person, firm, or corporation.

The department of labor and industry shall prescribe rules, not inconsistent herewith, for the examination and licensing of (STEAMFITTING) *pipefitting*.

An employee performing the duties of inspector for the department of labor and industry in regulating (STEAMFITTING) *pipefitting* shall not receive time credit for the inspection duties when making an application for a license required by this section.

Subd. 2. [CONTRACTING (STEAMFITTER'S) *PIPEFITTER'S LICENSE*; BOND AND INSURANCE REQUIREMENTS.] The applicant for a contracting (STEAMFITTER) *pipefitter* license may give bond to the state in the total penal sum of \$2,000 conditioned upon the faithful and lawful performance of all work entered upon by him within the state. The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of performance. The term of the bond shall be concurrent with the term of the license. The bond shall be filed with the secretary of state of the state and shall be in lieu of all other license bonds to any political subdivision. The bond shall be written by a corporate surety licensed to do business in the state.

In addition, each applicant for a contracting (STEAMFITTER'S) *pipefitter's* license or renewal thereof, may provide evidence of public liability insurance, including products liability insurance, with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state and each licensed contracting (STEAMFITTER) *pipefitter* shall maintain on file with the department, a certificate evidencing the insurance which provides that the insurance shall not be cancelled without the insurer first giving 15 days written notice to the department. The term of the insurance shall be concurrent with the term of the license. The certificate shall be in lieu of all other certificates required by any political subdivision for licensing purposes.

Subd. 3. [BOND AND INSURANCE EXEMPTION.] A contracting (STEAMFITTER) *pipefitter* who is an employee of a contracting (STEAMFITTER) *pipefitter* or who is an employee engaged within the limits of property owned, leased and operated, or maintained by (HIS) *the* employer, in the maintenance (AND REPAIR) of high pressure (STEAM) *pipe* work, equipment, or facilities owned or leased by the employer, shall not be required to meet the bond and insurance requirements of subdivision 2.

Subd. 4. [ALTERNATIVE COMPLIANCE.] Compliance with the local bond requirements of a locale within which work is to be performed shall be deemed to satisfy the bond and insurance requirements of subdivision 2.

Subd. 5. [FEE.] The state department of labor and industry may charge each applicant for a contracting (STEAMFITTER) *pipefitter* license or for a renewal of a contracting (STEAMFITTER) *pipefitter* license and an additional fee commensurate with the cost of administering the bond and insurance requirements of subdivision 2.

Sec. 5. Minnesota Statutes 1982, section 326.50, is amended to read:

326.50 [APPLICATION; FEES.]

Application for a (STEAMFITTER'S) *pipefitter's* license shall be made to the department of labor and industry, with fees. Unless entitled to a renewal, the applicant shall be licensed only after passing a satisfactory examination by the examiners showing fitness. Fees for journeymen (SHALL BE \$25) for examination and (\$15 FOR) renewal, and for master (STEAMFITTERS \$75) *pipefitters* for examination and (\$60 FOR) renewal shall be set by the commissioner under section 16A.128. Licenses shall expire December 31, but may be renewed upon application made the following January or February; but, if in February, only upon payment of an additional fee (OF \$5) set by the commissioner under section 16A.128.

The commissioner may issue a temporary license to a qualified individual with specific skills that a contractor or employer requires to construct or install a high pressure piping system. A temporary license must be renewed every 12 months. No individual may hold a temporary license for high pressure pipefitting for more than 36 months. The fee for a temporary license and for renewal of a temporary license shall be set by the commissioner under section 16A.128.

Sec. 6. [175.008] [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint an 11 member advisory council on code enforcement. The terms, compensation, and removal of council members is governed by section 15.059. The council shall not expire as provided by section 15.059. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 7. [REPEALER.]

Minnesota Statutes 1982, section 326.49, is repealed."

Delete the title and insert:

"A bill for an act relating to commerce; regulating pipefitters and pipefitting; regulating pressure vessels; amending

Minnesota Statutes 1982, sections 326.46; 326.47; 326.48; and 326.50; proposing new law coded in Minnesota Statutes, chapters 175 and 326; repealing Minnesota Statutes 1982, section 326.49."

With the recommendation that when so amended the bill pass as be re-referred to the Committee on Governmental Operations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1273, A bill for an act relating to retirement; salaried firefighters relief associations; providing vesting upon layoff in certain instances; proposing new law coded in Minnesota Statutes, chapter 423A.

Reported the same back with the following amendments:

Page 1, line 11, after "off" insert "*and replaced with a volunteer firefighter*"

Page 2, line 5, delete "*the day following final enactment*" and insert "*retroactively to July 1, 1981*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1325, A bill for an act relating to county law libraries; permitting the appointment of a nonlawyer to the library board; amending Minnesota Statutes 1982, section 140.36, subdivision 1.

Reported the same back with the following amendments:

Page 2, delete lines 3 and 4

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1404, A bill for an act relating to drainage; providing for correction of certain errors in county or judicial ditch benefits; amending Minnesota Statutes 1982, section 106.465.

Reported the same back with the following amendments:

Page 1, line 13, delete "50" and insert "51"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1418, A bill for an act relating to the town of Blue Hill; allowing the town to exercise certain powers.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1436, A bill for an act relating to education; deleting the prohibition against rules requiring secondary vocational programs; clarifying some duties of the state boards of education, and vocational education; amending Minnesota Statutes 1982, section 124.573, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 19, strike ", but" and insert ". *The rules*"

Page 1, line 20, strike "program offerings or"

Page 2, line 5, after the stricken period, insert "*The state board of education shall not require a school district to offer more than four credits or 480 hours of vocational education course offerings in any school year.*"

Page 2, line 11, strike "vocational"

Page 2, after line 11, insert:

"Sec. 2. [REPORT TO LEGISLATURE.]

If the state board of education adopts rules requiring school districts to offer secondary vocational education courses, the state board shall submit a report to the education committees of the legislature by January 15, 1985. The report shall discuss the fiscal impact on the school districts and the impact on a school district's ability to offer other academic elective courses as a result of adopting a rule requiring school districts to offer secondary vocational education."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 1445, A bill for an act relating to crimes; defining aggravated criminal damage to property; amending Minnesota Statutes 1982, section 609.595, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1446, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motorcycles under certain circumstances; amending Minnesota Statutes 1983 Supplement, section 325F.665, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 1466, A bill for an act relating to courts; providing procedures for collection of conciliation court judgments; requir-

ing conciliation court clerks to explain procedures of conciliation court to litigants and to assist them in filling out forms; amending Minnesota Statutes 1982, sections 418A.13, subdivision 2; 418A.16, subdivision 8; 487.30, by adding subdivisions; 488A.30, subdivision 2; and 488A.33, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 487.30, is amended by adding a subdivision to read:

Subd. 5. [SATISFACTION OF JUDGMENT.] If (1) a conciliation court judgment has been docketed in county court for a period of at least 30 days, (2) the judgment is not satisfied, and (3) the parties have not otherwise agreed, the county court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and location of all his assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the supreme court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The form shall be written in a clear and coherent manner using words with common and everyday meanings, shall summarize the execution and garnishment exemptions and limitations applicable to assets and earnings, and shall permit the judgment debtor to identify on the form those assets and earnings that he considers to be exempt from execution or garnishment. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who intentionally fails to comply with the order of the court may be cited for civil contempt of court.

Sec. 2. Minnesota Statutes 1982, section 487.30, is amended by adding a subdivision to read:

Subd. 6. [CLERK'S DUTIES.] Under the supervision of the conciliation court judges, the clerk shall explain to litigants the procedures and functions of the conciliation court and shall assist them in filling out all forms and pleadings necessary for the presentation of their claims or counterclaims to the court. The clerk shall assist judgment creditors and judgment debtors in the preparation of the forms necessary to obtain satisfaction of a final judgment. The performance of duties described in this subdivision shall not constitute the practice of law.

Sec. 3. Minnesota Statutes 1982, section 483A.13, subdivision 2, is amended to read:

Subd. 2. [CLERK OF MUNICIPAL COURT; DUTIES; RECORDS.] (a) The clerk of the municipal court shall serve as the clerk of the conciliation court. He shall delegate deputy clerks of the municipal court to assist him in performing his duties under (THIS ACT) sections 488A.12 to 488A.17. The clerk shall keep (SUCH) the records and accounts and perform (SUCH) other duties (AS MAY BE) prescribed by the judges. He shall account for and pay over to the county of Hennepin all fees received by him in the same fashion as required in his capacity as clerk of municipal court.

Under the supervision of the conciliation court judges, the clerk shall explain to litigants the procedures and functions of the conciliation court and shall assist them in filling out all forms and pleadings necessary for the presentation of their claims or counterclaims to the court. The clerk shall assist judgment creditors and judgment debtors in the preparation of the forms necessary to obtain satisfaction of a final judgment. The performance of duties described in this subdivision shall not constitute the practice of law.

(b) The clerk may, upon the consent of all the judges of municipal court of the county of Hennepin, destroy or dispose of all the following files and records of (SAID) the court, which have been on file for more than 20 years:

- (1) Complaint files;
- (2) Transcript receipts;
- (3) Cash receipt books;
- (4) Cancelled checks.

Sec. 4. Minnesota Statutes 1982, section 488A.16, subdivision 8, is amended to read:

Subd. 8. [DOCKETING AND ENFORCEMENT IN MUNICIPAL COURT.] When a judgment has become finally effective under subdivision 2, the judgment creditor may obtain a transcript of the judgment from the clerk of conciliation court on payment of a fee of fifty cents (THEREFOR) and file it with the clerk of the municipal court of the county of Hennepin. After filing of the transcript, the judgment becomes, and is enforceable as, a judgment of the municipal court. No writ of execution or garnishment summons may be issued out of conciliation court. *If (1) a conciliation court judgment has been docketed as a municipal court judgment for a period of at least 30 days, (2) the judgment is not satisfied, and (3) the parties have not otherwise agreed, the municipal court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and*

location of all his assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the supreme court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The form shall be written in a clear and coherent manner using words with common and everyday meanings, shall summarize the execution and garnishment exemptions and limitations applicable to assets and earnings, and shall permit the judgment debtor to identify on the form those assets and earnings that he considers to be exempt from execution or garnishment. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who intentionally fails to comply with the order of the court may be cited for civil contempt of court.

Sec. 5. Minnesota Statutes 1982, section 488A.30, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATOR, DUTIES.] The administrator of the municipal court shall serve as the administrator of the conciliation court. He shall delegate necessary employees of the municipal court to assist him in performing his duties under (THIS ACT) sections 488A.29 to 488A.34. The administrator shall keep (SUCH) the records and accounts and perform (SUCH) other duties (AS MAY BE) prescribed by the judges. He shall account for and pay over to the county of Ramsey all fees received by him in the same fashion as required in his capacity as administrator of municipal court.

Under the supervision of the conciliation court judges, the administrator of the conciliation court shall explain to litigants the procedures and functions of the conciliation court and shall assist them in filling out all forms and pleadings necessary for the presentation of their claims or counterclaims to the court. The administrator shall assist judgment creditors and judgment debtors in the preparation of the forms necessary to obtain satisfaction of a final judgment. The performance of duties described in this subdivision shall not constitute the practice of law.

Sec. 6. Minnesota Statutes 1982, section 488A.33, subdivision 7, is amended to read:

Subd. 7. [DOCKETING AND ENFORCEMENT IN MUNICIPAL COURT.] When a judgment has become final under subdivision 2, the judgment creditor may obtain a transcript of the judgment from the administrator of conciliation court and file it with the administrator of the municipal court upon payment of the filing fees as prescribed for the municipal court.

After filing of the transcript, the judgment becomes, and is enforceable as, a judgment of the municipal court. A transcript of a judgment payable in installments may not be (SO) obtained and filed until 20 days after default in the payment of an installment. No writ of execution nor garnishment summons may be issued out of conciliation court. *If (1) a transcript of a judgment has been filed for a period of at least 30 days, (2) the judgment is not satisfied or an installment of it remains overdue, and (3) the parties have not otherwise agreed, the municipal court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and location of all his assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the supreme court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The form shall be written in a clear and coherent manner using words with common and everyday meanings, shall summarize the execution and garnishment exemptions and limitations applicable to assets and earnings, and shall permit the judgment debtor to identify on the form those assets and earnings that he considers to be exempt from execution or garnishment. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who intentionally fails to comply with the order of the court may be cited for civil contempt of court."*

Amend the title as follows:

Page 1, line 7, delete "418A.13" and insert "488A.13" and delete "418A.16" and insert "488A.16"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1507, A bill for an act relating to taxation; deed tax; exempting certain partitions; amending Minnesota Statutes 1982, section 287.22.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1533, A bill for an act relating to health; authorizing the board of dentistry to adopt rules relating to special training and education of dentists; amending Minnesota Statutes 1982, section 150A.04, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 16, delete "*in addition to that which is required for*" and insert "*by*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1550, A bill for an act relating to retirement; public employees retirement association; vesting period for certain public hospital employees; amending Minnesota Statutes 1982, section 353.34, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1553, A bill for an act relating to metropolitan government; prescribing the authority of watershed management organizations; providing procedures for boundary changes and termination of watershed districts; amending Minnesota Statutes 1982, sections 473.877 and 473.878, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 473.876, subdivision 9, is amended to read:

Subd. 9. [WATERSHED MANAGEMENT ORGANIZATION.] "Watershed management organization" or "organiza-

tion" means a watershed district wholly within the metropolitan area or a joint powers entity established wholly or partly within the metropolitan area by special law or by agreement (WHICH) that performs some or all of the functions of a watershed district for a watershed and (WHICH) that has the characteristics and the authority specified under section 473.877. Lake improvement or conservation districts are not watershed management organizations.

Sec. 2. Minnesota Statutes 1982, section 473.877, is amended to read:

473.877 [JOINT POWERS WATERSHED MANAGEMENT ORGANIZATION.]

Subdivision 1. [AUTHORITY.] Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed delineated pursuant to subdivision 2, as required by sections 473.875 to 473.883, may provide, in addition to other provisions authorized by section 471.59, for a joint board having:

(a) the authority to prepare (AND), adopt, and implement a plan for the watershed meeting the requirements of section 473.878;

(b) the authority to review and approve local water management plans as provided in section 473.879;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land in the watershed when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 473.879 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land (.);

(d) the authority of a watershed district under section 112.65 to accept the transfer of drainage systems in the watershed, to repair, improve, and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, provided that projects may be carried out under the powers granted in chapter 106, 112, or 473 and that proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 473.878; and

(e) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the water resources board for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Subd. 3. [JURISDICTION OVER NONMEMBERS.] A watershed management organization established by agreement pursuant to subdivision 1 may exercise the authority provided in the agreement throughout the watershed delineated, including territory in statutory and home rule charter cities and towns that are not members of the organization, if the cities and towns that are not members consent to the exercise of authority within their jurisdictions and if the membership of the organization includes:

(a) the county or counties having jurisdiction over all of the territory of the watershed that is within the cities and towns that are not members of the organization; and

(b) either cities and towns having jurisdiction over at least 50 percent of the land area of the watershed and comprising at least three-quarters of all of the cities and towns having territory in the watershed, or cities and towns having jurisdiction over at least 75 percent of the land area of the watershed.

The county or counties identified in clause (a) are responsible for watershed management activities, and, for this purpose, may exercise authority under sections 473.875 to 473.883, in and for the consenting cities and towns that are not members of the organization.

Sec. 3. [473.8771] [WATERSHED DISTRICTS; BOUNDARY CHANGE; TERMINATION.]

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the water resources board for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3. The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the water resources board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received, the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received, the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received, the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

(a) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,

(b) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and

(c) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the water resources board filed jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

(a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,

(b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Subd. 3. [LIMITATION.] The addition or transfer of property or termination of a district pursuant to this section must not affect the benefits or damages for any improvement previously constructed by the district having jurisdiction over the property before the board's order. The property affected is and remains liable for its proper share of any outstanding indebtedness of the watershed district applying to the property before the board's order, and levies and assessments for the indebtedness continue in force until the debt is fully paid. In order to satisfy the requirements of this subdivision, the board may prescribe conditions on the boundary change or termination or may prescribe a later effective date for the termination of specified powers of a watershed district.

Sec. 4. Minnesota Statutes 1982, section 473.878, is amended by adding a subdivision to read:

Subd. 1a. [OPTIONAL PARTICIPATION.] Local government units, within or outside of the metropolitan area, having territory that is not subject to the requirements of this section but that is within a watershed part of which is subject to the requirements of this section, may enter into an agreement under section 473.877. A local government unit that enters into an agreement under this subdivision has the duties imposed and the authority granted in sections 473.875 to 473.883.

Sec. 5. Minnesota Statutes 1982, section 473.878, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE UNITS.] Where a watershed management organization exists, the plan for the watershed shall be prepared and adopted by the organization. If a watershed management organization is not established by (DECEMBER 31, 1983) *July 1, 1985*, for any minor watershed unit located wholly outside of Hennepin and Ramsey counties, the county or counties containing the watershed unit shall prepare (AND), adopt and implement the watershed plan and (SHALL HAVE) *for this purpose the county or counties have the planning, review, (AND) permitting, and financing authority of a watershed management organization specified in (SECTION) sections 473.877 to 473.883.* If a watershed management organization is not established by (DECEMBER 31, 1983) *July 1, 1985*, for any minor watershed unit within the metropolitan area and wholly or partly within Hennepin or Ramsey counties, the county or counties containing the watershed unit shall petition for the establishment of a watershed district under chapter 112, provided, however, that a district established pursuant to such a petition shall not cross a primary river nor a river forming the boundary between a metropolitan county and a county outside the metropolitan area, shall have boundaries which are based upon negotiations among all local government units which may have territory within the district and adjacent watersheds and shall not cross county boundaries to include territory whose distinguishing characteristic is multiple drainage points into a primary river. A watershed management organization may request a county to prepare all or part of a plan. A county may delegate the preparation of all or part of a plan to the county soil and water conservation district. Upon request of a statutory or home rule charter city or town, a county may delegate the preparation of all or part of a plan to the city or town.

Sec. 6. Minnesota Statutes 1982, section 473.878, subdivision 3, is amended to read:

Subd. 3. [GENERAL STANDARDS.] The watershed management plan shall extend through the year 1990 or any year thereafter which is evenly divisible by five. The plan shall contain the elements required by subdivision 4. Each element shall be set out in the degree of detail and prescription necessary to

accomplish the purposes of sections 473.875 to 473.883, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. The plan shall be prepared and submitted for review under subdivision 5 (BY DECEMBER 31, 1985) *not later than December 31, 1986*. Existing plans of a watershed management organization shall remain in force and effect until amended or superseded by plans adopted under sections 473.875 to 473.883. Existing or amended plans of a watershed management organization which meet the requirements of sections 473.875 to 473.883 may be submitted for review under subdivision 5.

Sec. 7. Minnesota Statutes 1982, section 473.878, subdivision 4, is amended to read:

Subd. 4. [CONTENTS.] The plan shall:

(a) Describe the existing physical environment, land use, and development in the area and the environment, land use, and development proposed in existing local and metropolitan comprehensive plans;

(b) Present information on the hydrologic system and its components, *including any drainage systems previously constructed under chapter 106*, and existing and potential problems related thereto;

(c) State objectives and policies, including management principles, alternatives and modifications, water quality, and protection of natural characteristics;

(d) Set forth a management plan, including the hydrologic and water quality conditions that will be sought and significant opportunities for improvement;

(e) *Describe the effect of the plan on existing drainage systems;*

((E)) (f) Describe conflicts between the watershed plan and existing plans of local government units;

((F)) (g) Set forth an implementation program consistent with the management plan, which includes a capital improvement program and standards and schedules for amending the comprehensive plans and official controls of local government units in the watershed to bring about conformance with the watershed plan; and

((G)) (h) Set out a procedure for amending the plan.

Sec. 8. Minnesota Statutes 1982, section 473.882, subdivision 1, is amended to read:

Subdivision 1. [WATERSHED MANAGEMENT TAX DISTRICT.] Any local government unit planning for water management under sections 473.878 and 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying the costs of the planning required under sections 473.878 and 473.879. Any local government unit which has part of its territory within a watershed for which a plan has been adopted in accordance with section 473.878 and which has a local water management plan adopted in accordance with section 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying capital costs of the water management facilities described in the capital improvement program of the plans and for the purpose of paying for normal and routine maintenance of the facilities. *A county or counties required by section 473.878, subdivision 2, to prepare, adopt, and implement a watershed plan may apportion the costs of planning, capital improvements, and maintenance among the minor watershed units in the watershed, or among the statutory and home rule charter cities having territory in the watershed, and for this purpose may establish more than one watershed management tax district in the watershed.*

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to metropolitan government; prescribing the authority of watershed management organizations and local government units; providing procedures for boundary changes and termination of watershed districts; amending Minnesota Statutes 1982, sections 473.876, subdivision 9; 473.877; 473.878, subdivisions 2, 3, 4, and by adding a subdivision; and 473.882, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 473.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1561, A bill for an act relating to health; health maintenance organizations; providing continued coverage upon replacement of an insurance carrier; including health mainte-

nance organization contracts in certain statutorily mandated coverages; providing for the disclosure and reporting by the organization of detailed financial, administrative and ownership information; providing for reporting of changes in provider agreements; granting the commissioner authority to adopt rules regarding the content of provider and other agreements; requiring certain deposits against insolvency; authorizing organizations to enter into certain health services contracts; requiring certain consumer rights information in evidences of coverage and annual information statements; providing for reimbursement of, and direct payments to, enrollees; providing for examination by the commissioner of health; specifying the examination powers of the commissioner; granting the commissioner authority to adopt rules regarding unreasonable expenses; classifying certain data used for review purposes; prescribing penalties; amending Minnesota Statutes 1982, sections 60A.082; 62A.041; 62A.042; 62A.044; 62A.081; 62A.14; 62A.147; 62A.149; 62D.02, subdivisions 5, 6, and 8, and by adding subdivisions; 62D.04; 62D.05, subdivision 3; 62D.07, subdivisions 1 and 3; 62D.08, subdivisions 1, 3, and by adding subdivisions; 62D.09; 62D.10, subdivision 3, and by adding a subdivision; 62D.101, subdivisions 2 and 2a; 62D.12, subdivisions 2, 4, 9, 10, 11, and by adding a subdivision; 62D.14; 62D.15, subdivision 1; 62D.17, subdivisions 1 and 4; 62D.19; 62D.20; 62D.22, subdivision 5, and by adding a subdivision; amending Minnesota Statutes 1983 Supplement, sections 62A.152; 62A.17, subdivisions 1 and 6; 62D.03, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1982, sections 62D.10, subdivision 2; 62D.12, subdivision 7; 62D.22, subdivision 9; 62D.27; and 62E.17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 60A.082, is amended to read:

60A.082 [GROUP INSURANCE; BENEFITS CONTINUED IF INSURER CHANGED.]

A person covered under group life, group accidental death and dismemberment, group disability income or group medical expense insurance, shall not be denied benefits to which he is otherwise entitled solely because of a change in the insurance company writing the coverage or in the group contract applicable to the person. *In the case of one or more carriers replacing or remaining in place after one or more plans have been discontinued, each carrier shall accept any person who was covered under the discontinued plan or plans without denial of benefits to which other persons in the group covered by that carrier are entitled.* "Insurance Company" shall include a service plan corporation under chapter 62C or 62D.

The commissioner shall promulgate rules to carry out this section. Nothing in this section shall preclude an employer, union or association from reducing the level of benefits under any group insurance policy or plan.

Sec. 2. Minnesota Statutes 1982, section 62A.041, is amended to read:

62A.041 [MATERNITY BENEFITS; UNMARRIED WOMEN.]

Each group policy of accident and health insurance issued or renewed after June 4, 1971, and each group health maintenance contract issued or renewed after the effective date of this section shall provide the same coverage for maternity benefits to unmarried women and minor female dependents that it provides to married women including the wives of employees choosing dependent family coverage. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each group policy issued or renewed after July 1, 1976, and each group contract issued or renewed after the effective date of this section shall provide the same coverage for that child as that provided for the child of a married employee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Each individual policy of accident and health insurance and each individual health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents as that provided for married women. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each individual policy issued or renewed after July 1, 1976, and each individual contract issued or renewed after the effective date of this section shall also provide the same coverage for that child as that provided for the child of a married insured or a married enrollee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

For the purposes of this section, the term "maternity benefits" shall not include elective, induced abortion whether performed in a hospital, other abortion facility, or the office of a physician.

Sec. 3. Minnesota Statutes 1982, section 62A.042, is amended to read:

62A.042 [FAMILY COVERAGE; COVERAGE OF NEWBORN INFANTS.]

Subdivision 1. [INDIVIDUAL FAMILY POLICIES; RENEWALS.] No policy of individual accident and sickness insurance which provides for insurance for more than one person under section 62A.03, subdivision 1, clause (3), and no individual

health maintenance contract which provides for coverage for more than one person under chapter 62D, shall be renewed to insure or cover any person in this state or be delivered or issued for delivery to any person in this state unless such policy or contract includes as insured or covered members of the family any newborn infants immediately from the moment of birth and thereafter which insurance or contract shall provide coverage for illness, injury, congenital malformation or premature birth.

Subd. 2. [GROUP POLICIES; RENEWALS.] No group accident and sickness insurance policy *and no group health maintenance contract which (PROVIDES) provide for coverage of family members or other dependents of an employee or other member of the covered group shall be renewed to cover members of a group located in this state or delivered or issued for delivery in this state unless such policy or contract includes as insured or covered family members or dependents any newborn infants immediately from the moment of birth and thereafter which insurance or contract shall provide coverage for illness, injury, congenital malformation or premature birth.*

Sec. 4. Minnesota Statutes 1982, section 62A.044, is amended to read:

62A.044 [PAYMENTS TO GOVERNMENTAL INSTITUTIONS.]

No group or individual policy of accident and sickness insurance issued or renewed after May 22, 1973 pursuant to this chapter, (AND) no group or individual service plan or subscriber contract issued or renewed after May 22, 1973 pursuant to chapter 62C, *and no group or individual health maintenance contract issued or renewed after the effective date of this section pursuant to chapter 62D, shall contain any provision denying or prohibiting payments for covered and authorized services rendered by a hospital or medical institution owned or operated by the federal, state, or local government or practitioners therein in any instance wherein charges for such services are imposed against the policy holder (OR), subscriber, or enrollee. The unit of government operating the institution may maintain an action for recovery of such charges.*

Sec. 5. Minnesota Statutes 1982, section 62A.14, is amended to read:

62A.14 [HANDICAPPED CHILDREN.]

Subdivision 1. [INDIVIDUAL FAMILY POLICIES.] An individual hospital or medical expense insurance policy delivered or issued for delivery in this state more than 120 days after May 16, 1969, *or an individual health maintenance contract delivered or issued for delivery in this state after the effective*

date of this section, which provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy or contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the policyholder for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer or health maintenance organization by the policyholder or enrollee within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer or organization but not more frequently than annually after the two year period following the child's attainment of the limiting age.

Subd. 2. [GROUP POLICIES.] A group hospital or medical expense insurance policy delivered or issued for delivery in this state more than 120 days after May 16, 1969, or a group health maintenance contract delivered or issued for delivery in this state after the effective date of this section, which provides that coverage of a dependent child of an employee or other member of the covered group shall terminate upon attainment of the limiting age for dependent children specified in the policy or contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the employee or member for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer or organization by the employee or member within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer or organization but not more frequently than annually after the two year period following the child's attainment of the limiting age.

Sec. 6. Minnesota Statutes 1982, section 62A.147, is amended to read:

62A.147 [DISABLED EMPLOYEES' BENEFITS; DEFINITIONS.]

Subdivision 1. For the purposes of this section and section 62A.148, the terms defined in this section shall have the meanings here given them.

Subd. 2. "Covered employee" means any person who, at the time he suffered an injury resulting in total disability or became totally disabled by reason of illness, was employed by and receiving a salary, commission, hourly wage, or other remuneration for his services by any employer providing, offering or

contributing to group insurance coverage or group coverage through a health maintenance contract, for that employee who was so enrolled for the coverage.

Subd. 3. "Total disability" means (a) the inability of an injured or ill employee to engage in or perform the duties of his regular occupation or employment within the first two years of such disability and (b) after the first two years of such disability, the inability of the employee to engage in any paid employment or work for which he may, by his education and training, including rehabilitative training, be or reasonably become qualified.

Subd. 4. "Group insurance" means any policy or contract of accident and health protection, including health maintenance contracts, regardless of by whom underwritten, which provides benefits, including cash payments for reimbursement of expenses or the provision of usual needed health care and medical services as the result of any injury, sickness, disability or disease suffered by a group of employees, or any one of them, and which protection is paid for or otherwise provided in full or in part by an employer.

Subd. 5. "Employer" means any natural person, company, corporation, partnership, association, firm, or franchise which employs any employee.

Subd. 6. "Insurer" means any person, company, corporation including a nonprofit corporation and a health maintenance organization, partnership, association, firm or franchise which underwrites or is by contract or other agreement obligated to provide accident and health protection benefits to any group of employees of any employer.

Sec. 7. Minnesota Statutes 1983 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides post termination or lay off coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the post termination or lay off coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3. A health maintenance contract issued by a health maintenance

organization that provides post-termination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the post-termination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 if an arrangement with an insurer can be made by the health maintenance organization.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 8. Minnesota Statutes 1982, section 62D.02, subdivision 8, is amended to read:

Subd. 8. "Health maintenance contract" means any contract whereby a health maintenance organization agrees to provide comprehensive health maintenance services to enrollees, provided that the contract may contain reasonable enrollee copayment provisions. *Copayment provisions in group contracts shall not discriminate on the basis of age, sex, race, preexisting health status, length of enrollment in the plan, or economic status. In no event shall the annual copayment exceed the maximum allowable for a number three qualified insurance policy under section 62E.06.* Any contract may provide for health care services in addition to those set forth in subdivision. 7.

Sec. 9. Minnesota Statutes 1982, section 62D.02, is amended by adding a subdivision to read:

Subd. 12. "Participating entity" means any person, provider, company, or other organization with which the health mainte-

nance organization has contracts or other arrangements, including any of the following:

(1) a health care facility licensed under sections 144.50 to 144.56, a nursing home licensed under sections 144A.02 to 144A.11, and any other health care facility otherwise licensed under the laws of this state or registered with the commissioner of health;

(2) a health care professional licensed under health-related licensing boards, as defined in section 214.01, subdivision 2, and any other health care professional otherwise licensed under the laws of this state or registered with the commissioner of health;

(3) a group, professional corporation, or other organization which provides the services of individuals or entities identified in (2), including but not limited to a medical clinic, a medical group, a home health care agency, an urgent care center, and an emergent care center;

(4) any person or organization providing administrative, financial, or management services to the health maintenance organization if the total payment for all services exceeds three percent of the gross revenues of the health maintenance organization.

"Participating entity" does not include another health maintenance organization with which a health maintenance organization has made contractual arrangements.

Sec. 10. Minnesota Statutes 1982, section 62D.02, is amended by adding a subdivision to read:

Subd. 13. "Major participating entity" shall include the following:

(1) a participating entity that receives from the health maintenance organization as compensation for services a sum greater than 30 percent of the health maintenance organization's gross revenues;

(2) a participating entity providing administrative, financial, or management services to the health maintenance organization, if the total payment for all services exceeds three percent of the gross revenue of the health maintenance organization;

(3) a participating entity that nominates or appoints 30 percent or more of the board of directors of the health maintenance organization.

Sec. 11. Minnesota Statutes 1982, section 62D.02, is amended by adding a subdivision to read:

Subd. 14. "Separate health services contracts" means pre-paid dental services contracts and other similar types of prepaid health services agreements in which services are provided by participating entities or employees of the health maintenance organization, but does not include contracts subject to chapter 62A or 62C.

Sec. 12. Minnesota Statutes 1983 Supplement, section 62D.03, subdivision 4, is amended to read:

Subd. 4. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) a copy of the basic organizational document, if any, of the applicant *and of each major participating entity*; such as the articles of incorporation, or other applicable documents, and all amendments thereto;

(b) a copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant *and of each major participating entity*;

(c) a list of the names, addresses, and official positions of the following (PERSONS):

(ALL MEMBERS OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT, AND THE PRINCIPAL OFFICERS OF THE ORGANIZATION; WHICH SHALL CONTAIN A FULL DISCLOSURE IN THE APPLICATION OF THE EXTENT AND NATURE OF ANY CONTRACT OR FINANCIAL ARRANGEMENTS BETWEEN THEM AND THE HEALTH MAINTENANCE ORGANIZATION, INCLUDING A FULL DISCLOSURE OF ANY FINANCIAL ARRANGEMENTS BETWEEN THEM AND ANY PROVIDER OR OTHER PERSON CONCERNING ANY FINANCIAL RELATIONSHIP WITH THE HEALTH MAINTENANCE ORGANIZATION;)

(1) *all members of the board of directors, or governing body of the local government unit, and the principal officers and controlling shareholders of the organization; and*

(2) *all members of the board of directors, or governing body of the local government unit, and the principal officers and controlling shareholders of each major participating entity;*

The commissioner may by rule identify persons included in the terms "principal officers" and "controlling shareholders";

(d) a full disclosure of the extent and nature of any contract or financial arrangements between the following:

(1) the health maintenance organization and the persons listed in clause (c)(1);

(2) the health maintenance organization and the persons listed in clause (c)(2);

(3) each major participating entity and the persons listed in clause (c)(1) concerning any financial relationship with the health maintenance organization; and

(4) each major participating entity and the persons listed in clause (c)(2) concerning any financial relationship with the health maintenance organization;

(e) the name and address of each participating entity and the agreed upon duration of each contract or agreement;

(f) a copy of the form of each contract binding the participating entities and the health maintenance organization provided that the employment contracts between the health maintenance organization and its employees shall not be filed. Contractual provisions shall be consistent with the purposes of sections 62D.01 to 62D.29 in regard to the services to be performed under the contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health maintenance organization, the nature and extent of risk sharing permissible, and contractual termination provisions;

(g) a copy of each contract binding major participating entities and the health maintenance organization. Upon the request of the health maintenance organization, contract information filed with the commissioner may be nonpublic and subject to the provisions of section 13.37, subdivision 1(b).

Upon initial filing and thereafter on or before the anniversary of the implementation of each contract, the health maintenance organization shall file a separate document detailing the projected annual expenses to the major participating entity in performing the contract and the projected annual revenues received by the entity from the health maintenance organization for such performance. The commissioner shall disapprove any contract with a major participating entity if the contract will result in an unreasonable expense under section 62D.19.

Within 120 days of the anniversary of the implementation of each contract, the health maintenance organization shall file a

document detailing the actual expenses incurred by the major participating entity in performing the contract in the preceding year and the actual revenues received from the health maintenance organization by the entity in payment for the performance. The contract shall be submitted for a reasonableness determination under section 62D.19.

Contracts implemented prior to the effective date of this subdivision shall be filed within 90 days of such effective date. Commencing with the next anniversary of the implementation of each of these contracts immediately following filing, the health maintenance organization shall, as otherwise required by this subdivision, file annual projected and actual expenses and revenues which will be subject to review in the manner prescribed by this subdivision.

((D)) *(h)* a statement generally describing the health maintenance organization, its health (CARE PLAN OR PLANS) maintenance contracts and separate health service contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with comprehensive health maintenance services and separate health services;

((E)) *(i)* a copy of the form of each evidence of coverage to be issued to the enrollees;

((F)) *(j)* a copy of the form of each individual or group health maintenance contract and each separate health service contract which is to be issued to enrollees or their representatives;

((G)) *(k)* financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

((H)) *(1)* *(l)* a description of the proposed method of marketing the plan, *(2)* a schedule of proposed charges, and *(3)* a financial plan which includes a three year projection of the expenses and income and other sources of future capital;

((I)) *(m)* a statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

((J)) *(n)* a description of the complaint procedures to be utilized as required under section 62D.11;

((K)) *(o)* a description of the procedures and programs to be implemented to meet the requirements of section 62D.04, sub-

division 1, clauses (b) and (c) and to monitor the quality of health care provided to enrollees;

((L)) (p) a description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation under section 62D.06;

(q) a copy of any agreement between the health maintenance organization and an insurer or nonprofit health service corporation regarding reinsurance, stop-loss coverage, or any other type of coverage for potential costs of health services, as authorized in section 62D.04, subdivision 1(f) and section 62D.13; and

((M)) (r) other information as the commissioner of health may reasonably require to be provided.

Sec. 13. Minnesota Statutes 1982, section 62D.04, is amended to read:

62D.04 [ISSUANCE OF CERTIFICATE AUTHORITY.]

Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) Demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) Arrangements for an ongoing evaluation of the quality of health care;

(c) A procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

(d) Reasonable provisions for emergency and out of area health care services;

(e) Demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner of health may consider (EITHER THE STANDARDS OF CLAUSES (1) AND (2), OR THE STANDARDS OF CLAUSES (3) AND (4), WHICHEVER THE APPLICANT SHALL ELECT):

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) the adequacy of its working capital;

(3) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization; (AND)

(4) agreements with providers for the provision of health care services; *and*

(5) *any deposit of cash or securities submitted in accordance with section 19.*

(f) Demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a non-elective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(g) Otherwise met the requirements of sections 62D.01 to 62D.29.

Subd. 2. Within 90 days after the receipt of the application for a certificate of authority, the commissioner of health shall determine whether or not the applicant meets the requirements of this section. If the commissioner of health determines that the applicant meets the requirements of sections 62D.01 to 62D.29, he shall issue a certificate of authority to the applicant. If the commissioner of health determines that the applicant is not qualified, he shall so notify the applicant and shall specify the reason or reasons for such disqualification.

Subd. 3. Except as provided in section 62D.03, subdivision 2, no person who has not been issued a certificate of authority shall use the words "health maintenance organization" or the initials "HMO" in its name, contracts or literature. Provided, however, that persons who are operating under a contract with, operating in association with, enrolling enrollees for, or otherwise authorized by a health maintenance organization licensed under sections 62D.01 to 62D.29 to act on its behalf may use the terms "health maintenance organization" or "HMO" for the limited purpose of denoting or explaining their association or relationship with the authorized health maintenance organiza-

tion. No health maintenance organization which has a minority of consumers as members of its board of directors shall use the words "consumer controlled" in its name or in any way represent to the public that it is controlled by consumers.

Subd. 4. Upon being granted a certificate of authority to operate as a health maintenance organization, the organization must continue to operate in compliance with the standards set forth in subdivision 1. Noncompliance may result in the imposition of a fine or the suspension or revocation of the certificate of authority, in accordance with sections 62D.15 to 62D.17.

Sec. 14. [62D.041] [PROTECTION AGAINST INSOLVENCY.]

Subdivision 1. [DEFINITION.] For the purposes of this section, the term "uncovered expenditures" means the costs of health care services that are covered by a health maintenance organization for which an enrollee would also be liable in the event of the organization's insolvency, including out-of-area services, referral services, and any other expenditures for health care services for which the health maintenance organization is at risk.

Subd. 2. [REQUIRED DEPOSIT.] Unless otherwise provided in this section, each health maintenance organization shall deposit with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, cash, freely alienable securities, or any combination of these or other measures that is acceptable to the commissioner in the amount set forth in this section. If a health maintenance organization does not have the required reserves or its reserves are not properly computed, operations shall be adjusted to correct the condition, according to a written plan proposed by the health maintenance organization and approved by the commissioner. If a health maintenance organization does not propose measures to correct its reserves or surplus within a reasonable time, if a corporation violates the plan which has been approved, or if there is evidence that an improper reserve or surplus status cannot be corrected within a reasonable time, the commissioner of commerce may take action against the corporation under chapter 60B.

Subd. 3. [AMOUNT FOR BEGINNING ORGANIZATIONS.] The amount for an organization that is beginning operation shall be the greater of: (a) five percent of its estimated expenditures for health care services for its first year of operation; (b) twice its estimated average monthly uncovered expenditures for its first year of operation; or (c) \$100,000.

At the beginning of each succeeding year, unless not applicable, the organization shall deposit with the organization or

trustee, cash, freely alienable securities, or any combination of these or other measures acceptable to the commissioner in an amount equal to four percent of its estimated annual uncovered expenditures for that year.

Subd. 4. [AMOUNT FOR EXISTING ORGANIZATIONS.] Unless not applicable, an organization that is in operation on the effective date of this section shall make a deposit equal to the larger of:

(a) one percent of the preceding 12 months' uncovered expenditures; or

(b) \$100,000 on the first day of the fiscal year beginning six months or more after the effective date of this section.

In the second fiscal year, if applicable, the amount of the additional deposit shall be equal to two percent of its estimated annual uncovered expenditures. In the third year, if applicable, the additional deposit shall be equal to three percent of its estimated annual uncovered expenditures for that year. In the fourth fiscal year and subsequent years, if applicable, the additional deposit shall be equal to four percent of its estimated annual uncovered expenditures for each year. Each year's estimate, after the first year of operation, shall reasonably reflect the prior year's operating experience and delivery arrangements.

Subd. 5. [WAIVER.] The commissioner may waive any of the deposit requirements set forth in subdivisions 2 and 3 whenever satisfied that the organization has sufficient net worth and an adequate history of generating net income to assure its financial viability for the next year, or its performance and obligations are guaranteed by an organization with sufficient net worth and an adequate history of generating net income, or the assets of the organization or its contracts with insurers, hospital, or medical service corporations, governments, or other organizations are reasonably sufficient to assure the performance of its obligations.

Subd. 6. [FINANCIAL EXEMPTIONS.] When an organization has achieved a net worth not including land, buildings, and equipment of at least \$1,000,000 or has achieved a net worth including organization-related land, buildings, and equipment of at least \$5,000,000, the annual deposit requirement does not apply.

The annual deposit requirement does not apply to an organization if the total amount of the accumulated deposit is equal to 25 percent of its estimated annual uncovered expenditures for the next calendar year, or the capital and surplus requirements for the formation for admittance of an accident and health insurer in this state, whichever is less.

If the organization has a guaranteeing organization which has been in operation for at least five years and has a net worth not including land, buildings, and equipment of at least \$1,000,000 or which has been in operation for at least ten years and has a net worth including organization-related land, buildings, and equipment of at least \$5,000,000, the annual deposit requirement does not apply. If the guaranteeing organization is sponsoring more than one organization, the net worth requirement shall be increased by \$400,000 not including organization-related land, buildings, and equipment, for each additional organization, for guaranteeing organizations that have been in operation for at least five years, and by \$2,000,000 including organization-related land, buildings, and equipment, for each additional organization, for guaranteeing organizations that have been in operation for at least ten years. This requirement to maintain a deposit in excess of the deposit required of an accident and health insurer does not apply during any time that the guaranteeing organization maintains for each organization it sponsors a net worth at least equal to the capital and surplus requirements for an accident and health insurer.

Subd. 7. [CONTROL OF OVER DEPOSITS.] All income from deposits shall belong to the depositing organizations and shall be paid to it as it becomes available. A health maintenance organization that has made a securities deposit may withdraw that deposit or any part thereof after making a substitute deposit of cash, freely alienable securities, or any combination of these or other measures of equal amount and value. Any securities shall be approved by the commissioner before being substituted.

Subd. 8. [REDUCTION BY COMMISSIONER.] In any year in which an annual deposit is not required of an organization's request the commissioner shall reduce the required, previously accumulated deposit by \$100,000 for each \$250,000 of net worth in excess of the amount that allows the organization not to make the annual deposit. If the amount of net worth no longer supports a reduction of its required deposit, the organization shall immediately redeposit \$100,000 for each \$250,000 of reduction in net worth, provided that its total deposit shall not exceed the maximum required under this section.

Sec. 15. Minnesota Statutes 1982, section 62D.05, subdivision 3, is amended to read:

Subd. 3. A health maintenance organization may contract with providers of health care services to render the services the health maintenance organization has promised to provide under the terms of its health maintenance contracts, may, subject to section 62D.12, subdivision 11, enter into separate prepaid dental contracts, or other separate health service contracts, may, subject to the limitations of section 62D.04, subdivision 1, clause (f), contract with insurance companies and nonprofit health

service plan corporations for insurance, indemnity or reimbursement of its cost of providing health care services for enrollees or against the risks incurred by the health maintenance organization, and may contract with insurance companies and non-profit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization, including the customary prepayment amount and any co-payment obligations.

Sec. 16. Minnesota Statutes 1982, section 62D.07, subdivision 1, is amended to read:

Subdivision 1. Every enrollee residing in this state is entitled to evidence of coverage under a health (CARE PLAN) *maintenance contract*. The health maintenance organization or its designated representative shall issue the evidence of coverage.

Sec. 17. Minnesota Statutes 1982, section 62D.07, subdivision 3, is amended to read:

Subd. 3. An evidence of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health (CARE PLAN) *maintenance contract*;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints *and a statement identifying the commissioner as an external source with whom grievances may be registered.*

(c) *On the cover page of the evidence of coverage, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following:*

(1) *based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;*

(2) *the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to emergency services available 24 hours a day and 7 days a week;*

(3) *the consumer's right to be informed of his or her health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;*

(4) *the right to refuse treatment;*

(5) *the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;*

(6) *the right to file a grievance with the health maintenance organization and the commissioner when experiencing a problem with the health maintenance organization or its health care providers;*

(7) *the right to arbitrate or litigate complaints when dissatisfied with the health maintenance organization's determination regarding a grievance;*

(8) *the right of the enrollee and his or her dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;*

(9) *the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;*

(10) *the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible*

for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.

Sec. 18. Minnesota Statutes 1982, section 62D.07, is amended by adding a subdivision to read:

Subd. 5. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force.

Sec. 19. Minnesota Statutes 1982, section 62D.07, is amended by adding a subdivision to read:

Subd. 6. Any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.

Sec. 20. Minnesota Statutes 1982, section 62D.08, subdivision 1, is amended to read:

Subdivision 1. A health maintenance organization shall, unless otherwise provided for by regulations adopted by the commissioner of health, file notice with the commissioner of health prior to any modification of the operations or documents described in the information submitted under clauses (a), (b), (e), (f), (g), (i), (j), ((K),) (l), (AND) (m), (n), (o), (p,) (q) and (r) of section 62D.03, subdivision 4 (. IF THE COMMISSIONER OF HEALTH DOES NOT DISAPPROVE OF THE FILING WITHIN 30 DAYS, IT SHALL BE DEEMED APPROVED AND MAY BE IMPLEMENTED BY THE HEALTH MAINTENANCE ORGANIZATION), clause (b). *The commissioner will approve or disapprove of the filing within 30 days.*

Sec. 21. Minnesota Statutes 1982, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, and (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment;

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and residence addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization *or the major participating entity* during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization *or the major participating entity*, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause ((C)) (d); and

(e) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out his duties under sections 62D.01 to 62D.29.

Sec. 22. Minnesota Statutes 1982, section 62D.08, is amended by adding a subdivision to read:

Subd. 4. Failure of the health maintenance organization to file a verified report with the commissioner on or before April 1 of the year due shall result in the levy of an automatic \$500 fine for each day the report is past due, and will serve as a basis for other disciplinary action against the organization, including suspension or revocation, in accordance with sections 62D.15 to 62D.17. The commissioner may grant an extension of the reporting deadline upon good cause shown by the health maintenance organization if good cause is shown. Any fine levied or disciplinary action taken against the organization under this subdivision is subject to the judicial review provisions of sections 14.63 to 14.69.

Sec. 23. Minnesota Statutes 1982, section 62D.08, is amended by adding a subdivision to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner within seven working days of the date the health maintenance organization sends out or receives the notice of cancellation or discontinuance, and shall be reported to the affected enrollees of the organization within 30 days of the effective date of the cancellation or discontinuance, provided that cancellation or discontinuance of a referral provider need not be reported to enrollees. Failure of the organization to notify the commissioner and the affected enrollees within the time periods prescribed in this subdivision shall result in the levy of an automatic \$100 fine per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner and the enrollees of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the judicial review provisions of sections 14.63 to 14.69.

Sec. 24. Minnesota Statutes 1982, section 62D.09, is amended to read:

62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which includes a summary of benefits provided by the health maintenance organization shall include a statement of consumer rights as described in section 62D.07, subdivision 3(c).

Subd. 2. The application for coverage by the health maintenance organization shall include, on the same page as the applicant's signature, the statement of consumer rights as described in section 62D.07, subdivision 3(c).

Subd. 3. Every health maintenance organization or its representative shall annually, before April 1, provide to its enrollees the following: (1) a summary of (:) its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report, (AND) (3) the current evidence of coverage; and (4) a statement of consumer rights as described in section 62D.07, subdivision 3, paragraph (c).

Sec. 25. Minnesota Statutes 1982, section 62D.10, subdivision 3, is amended to read:

Subd. 3. A health plan providing health maintenance services or reimbursement for health care costs to a specified group or groups may limit the open enrollment in each group plan to members of such group or groups, but after it has been in operation 24 months shall have an annual open enrollment period of at least (ONE MONTH) *14 days* during which it (ACCEPTS ENROLLEES FROM THE MEMBERS OF EACH GROUP UP TO A MINIMUM OF FIVE PERCENT OF ITS CURRENT ENROLLMENT IN EACH GROUP PLAN) *shall accept all otherwise eligible individuals in the order in which they apply for enrollment in a manner which does not discriminate on the basis of age, sex, race, health, or economic status. The health maintenance organization shall notify potential enrollees of any limitations on the number of new enrollees to be accepted.* "Specified groups" may include, but shall not be limited to:

- (a) Employees of one or more specified employers;
- (b) Members of one or more specified labor unions;
- (c) Members of one or more specified associations;
- (d) Patients of physicians providing services through a health care plan who had previously provided services outside the health care plan; and
- (e) Members of an existing group insurance policy.

Sec. 26. Minnesota Statutes 1982, section 62D.10, is amended by adding a subdivision to read:

Subd. 4a. Any fee charged by a health maintenance organization for the process of determining an applicant's eligibility, and any other application fee charged, shall be refunded with interest to the applicant if the applicant is not accepted for enrollment in the health maintenance organization, or credited with interest to the applicant's premiums due if the applicant is accepted for enrollment in the organization.

Sec. 27. Minnesota Statutes 1982, section 62D.101, subdivision 2, is amended to read:

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, (OTHER THAN A CONTRACT WHOSE CONTINUANCE IS CONTINGENT UPON CONTINUED EMPLOYMENT OR MEMBERSHIP, WHICH CONTAINS A PROVISION FOR TERMINATION OF COVERAGE OF THE SPOUSE UPON DISSOLUTION OF MARRIAGE) *as described*

in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or section 62A.146, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse, an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under Title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Sec. 28. Minnesota Statutes 1982, section 62D.101, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract (**OTHER THAN A CONTRACT WHOSE CONTINUANCE IS CONTINGENT UPON CONTINUED EMPLOYMENT OR MEMBERSHIP,**) *as described in subdivision 1* shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage, if the decree requires the enrollee to provide continued coverage for those persons. The coverage may be continued until the earlier of the following dates:

(a) The date of remarriage of either the enrollee or the enrollee's former spouse; or

(b) The date coverage would otherwise terminate under the health maintenance contract.

Sec. 29. [62D.103] [SECOND OPINION RELATED TO CHEMICAL DEPENDENCY AND MENTAL HEALTH.]

A health maintenance organization shall promptly evaluate the treatment needs of any enrollee who is seeking treatment for a problem related to chemical dependency or mental health conditions. In the event that the health maintenance organization or a participating provider determines that no type of structured treatment is necessary, the enrollee shall be immediately entitled to a second opinion paid for by the health maintenance organization, by a health care professional qualified in diagnosis and treatment of the problem and not affiliated with the health maintenance organization. The health maintenance organization or participating provider shall consider the second opinion but is not obligated to accept the conclusion of the second opinion. The health maintenance organization or participating provider shall document its consideration of the second opinion.

Sec. 30. Minnesota Statutes 1982, section 62D.12, subdivision 1, is amended to read:

Subdivision 1. No health maintenance organization or representative thereof may cause or knowingly permit the use of advertising or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. *Any written advertising is misleading if it fails to disclose that there are limitations on the services of some health care professionals. This general disclosure is not required on billboards.* Each health maintenance organization shall be subject to sections 72A.17 to 72A.321, relating to the regulation of trade practices, except (a) to the extent that the nature of a health maintenance organization renders such sections clearly inappropriate and (b) that enforcement shall be by the commissioner of health and not by the commissioner of insurance. Every health maintenance organization shall be subject to sections (325.79) *325F.69* and (325.907) *8.31*.

Sec. 31. Minnesota Statutes 1982, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, *subject to section 62A.17, subdivisions 1 and 6*; (e) enrollee moving out of an eligible group, *subject to section 62A.17, subdivisions 1 and 6*; (f) failure to make copayments required by the health care plan; or (g) other reasons established in regulations promulgated by the commissioner of health. An enrollee shall be given 30 days notice of any cancellation or nonrenewal.

Sec. 32. Minnesota Statutes 1982, section 62D.12, subdivision 4, is amended to read:

Subd. 4. No health maintenance contract or evidence of coverage shall provide for the reimbursement of an enrollee other than through a policy of insurance, except (TO REFUND PAYMENTS MADE BY OR ON BEHALF OF AN ENROLLEE; OR, WITH THE PRIOR APPROVAL OF THE COMMISSIONER OF HEALTH, PAYMENTS TO ENROLLEES FOR OBLIGATIONS INCURRED FOR NON-ELECTIVE EMERGENCY OR OUT-OF-AREA SERVICES RECEIVED; OR WITH PRIOR APPROVAL, DIRECT PAYMENTS TO PROVIDERS FOR OUT-OF-AREA, NON-ELECTIVE EMERGENCY OR REFERRAL MEDICAL, HOSPITAL, OR OTHER HEALTH SERVICES RENDERED TO ENROLLEES) as stated in this subdivision:

(a) *the health maintenance organization may refund payments made by or on behalf of an enrollee;*

(b) *the health maintenance organization may make direct payments to enrollees or providers for obligations incurred for nonelective emergency or out-of-area services received.*

Sec. 33. Minnesota Statutes 1982, section 62D.12, subdivision 9, is amended to read:

Subd. 9. *All net earnings of the health maintenance organization shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care. No health maintenance organization shall provide for the payment, whether directly or indirectly, of any part of its net earnings, to any person as a dividend or rebate; provided, however, that (AUTHORIZED EXPENSES OF A HEALTH MAINTENANCE ORGANIZATION SHALL INCLUDE:)*

((A) CASH REBATES TO ENROLLEES, OR TO PERSONS WHO HAVE MADE PAYMENTS ON BEHALF OF ENROLLEES; OR, WHEN APPROVED BY THE COMMISSIONER OF HEALTH AS PROVIDED IN SUBDIVISION 4, DIRECT PAYMENTS TO ENROLLEES FOR OBLIGATIONS INCURRED FOR NON-ELECTIVE EMERGENCY OR OUT-OF-AREA SERVICES RECEIVED; OR, WITH PRIOR APPROVAL, DIRECT PAYMENTS TO PROVIDERS FOR OUT-OF-AREA, NON-ELECTIVE EMERGENCY OR REFERRAL MEDICAL, HOSPITAL, OR OTHER HEALTH SERVICES RENDERED TO ENROLLEES;)

((B) FREE OR REDUCE COST HEALTH SERVICE TO ENROLLEES; OR)

((C) PAYMENTS TO PROVIDERS OR OTHER PERSONS BASED UPON THE EFFICIENT PROVISION OF SERVICES OR AS INCENTIVES TO PROVIDE QUALITY CARE. ALL NET EARNINGS SHALL BE DEVOTED TO

THE NONPROFIT PURPOSES OF THE HEALTH MAINTENANCE ORGANIZATION IN PROVIDING COMPREHENSIVE HEALTH CARE.) *health maintenance organizations may make payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care.* The commissioner of health shall, pursuant to sections 62D.01 to 62D.29, revoke the certificate of authority of any health maintenance organization in violation of this subdivision.

Sec. 34. Minnesota Statutes 1982, section 62D.12, is amended by adding a subdivision to read:

Subd. 9a. Authorized expenses of a health maintenance organization shall include:

- (1) cash rebates to enrollees, or to persons who have made payments on behalf of enrollees;*
- (2) direct payments to enrollees or providers as provided in subdivision 4, clause (b);*
- (3) free or reduced cost health service to enrollees;*
- (4) payments to any organization or organizations selected by the health maintenance organization which are operated for charitable, educational, or religious or scientific purposes.*

Sec. 35. Minnesota Statutes 1982, section 62D.12, subdivision 10, is amended to read:

Subd. 10. No health maintenance contract or evidence of coverage entered into, issued, amended, renewed or delivered on or after January 1, 1976 shall contain any provision offsetting, or in any other manner reducing, any benefit to an enrollee or other beneficiary by the amount of, or in any proportion to, any increase in disability benefits received or receivable under the federal Social Security Act, as amended subsequent to the date of commencement of such benefit, the Railroad Retirement Act, any Veteran's Disability Compensation and Survivor Benefits Act, workers' compensation, or any similar federal or state law, as amended subsequent to the date of commencement of that benefit.

Sec. 36. Minnesota Statutes 1982, section 62D.12, is amended by adding a subdivision to read:

Subd. 13. No health maintenance organization offering an individual or group health maintenance contract shall refuse to provide or renew the coverage because the applicant or enrollee has an option to elect workers' compensation coverage pursuant to section 176.012.

Sec. 37. Minnesota Statutes 1982, section 62D.14, is amended to read:

62D.14 [EXAMINATIONS.]

Subdivision 1. The commissioner of health may make an examination of the (FINANCIAL) affairs of any health maintenance organization (AND ITS CONTRACTS, AGREEMENTS, OR OTHER ARRANGEMENTS WITH PROVIDERS) *and any participating entity* as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years, *provided that examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees.*

Subd. 2. The commissioner (OF HEALTH MAY MAKE AN EXAMINATION CONCERNING THE QUALITY OF HEALTH CARE SERVICES PROVIDED TO ENROLLEES BY ANY HEALTH MAINTENANCE ORGANIZATION AND PROVIDERS WITH WHOM SUCH ORGANIZATION HAS CONTRACTS, AGREEMENTS, OR OTHER ARRANGEMENTS PURSUANT TO ITS HEALTH CARE PLAN AS OFTEN AS THE COMMISSIONER OF HEALTH DEEMS NECESSARY FOR THE PROTECTION OF THE INTERESTS OF THE PEOPLE OF THIS STATE, BUT NOT LESS FREQUENTLY THAN ONCE EVERY THREE YEARS. PROVIDED, THAT EXAMINATIONS OF PROVIDERS PURSUANT TO THIS SUBDIVISION SHALL BE LIMITED TO THEIR DEALINGS WITH THE HEALTH MAINTENANCE ORGANIZATION AND ITS ENROLLEES) *will notify the organization and any involved participating entity in writing when an examination has been initiated. The commissioner will include in this notice a full statement of the pertinent facts and of the matters being examined, and may include a statement that the organization or participating entity must submit to the commissioner within 30 days from the date of the notice a complete written report concerning those matters.*

Subd. 3. In order to accomplish his duties under this section, the commissioner of health shall have the right to:

(a) inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under (SUCH CONTRACT) *the organization's contracts, agreements, or other arrangements with participating entities; (AND)*

(b) audit and inspect any books and records of a health maintenance organization *and a participating entity* which pertain to services performed and determinations of amounts payable under such contract;

(c) require persons or organizations under examination to be deposed and to answer interrogatories, regardless of whether an administrative hearing or other civil proceeding has been or will be initiated; and

(d) employ site visits, public hearings, or any other procedures considered appropriate to obtain the information necessary to determine the issues.

Subd. 4. Any data or information pertaining to the diagnosis, treatment, or health of any enrollee, or any application obtained from any person, shall be (CONFIDENTIAL) *private as defined in chapter 13* and shall not be disclosed to any person except (a) to the extent (THAT IT MAY BE) necessary to carry out the purposes of sections 62D.01 to 62D.29, *the commissioner and his or her designee shall have access to the above data or information but the data removed from the health maintenance organization or participating entity shall not identify any particular patient or client by name or contain any other unique personal identifier*; (b) upon the express consent of the enrollee or applicant; (c) pursuant to statute or court order for the production of evidence or the discovery thereof; or (d) in the event of claim or litigation between such person and the provider or health maintenance organization wherein such data or information is pertinent. *In any case involving a suspected violation of law in which access to health data maintained by the health maintenance organization or participating entity is necessary, the commissioner and his or her agents, while maintaining the privacy rights of individuals and families, shall be permitted to obtain data that identifies any particular patient or client by name. If, as a result of the investigation, the commissioner deems it appropriate, the commissioner shall initiate any legal action or refer the matter to the appropriate legal authority and the commissioner may disseminate whatever data are necessary to fulfill his or her responsibilities.* A health maintenance organization shall be entitled to claim any statutory privileges against such disclosure which the provider who furnished such information to the health maintenance organization is entitled to claim.

Subd. 5. The commissioner of health shall have the power to administer oaths to and examine witnesses, and to issue subpoenas.

Subd. 6. Reasonable expenses of examinations under this section shall be assessed by the commissioner of health against the organization being examined, and shall be remitted to the commissioner of health for deposit in the general fund of the state treasury.

Subd. 7. *Failure to provide information necessary for conducting examinations pursuant to this section shall result in the levy of an automatic \$200 fine for each day the information is*

not provided. A fine levied under this subdivision shall be subject to judicial review as provided by sections 14.63 to 14.69.

Sec. 38. Minnesota Statutes 1982, section 62D.15, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may suspend or revoke any certificate of authority issued to a health maintenance organization under sections 62D.01 to 62D.29 if he finds that:

(a) The health maintenance organization is operating (SIGNIFICANTLY) in contravention of its basic organizational document, its health (CARE PLAN) *maintenance contract*, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62D.03, unless amendments to such submissions have been filed with and approved by the commissioner of health;

(b) The health maintenance organization issues evidences of coverage which do not comply with the requirements of section 62D.07;

(c) The health maintenance organization is unable to fulfill its obligations to furnish comprehensive health maintenance services as required under its health (CARE PLAN) *maintenance contract*;

(d) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(e) The health maintenance organization has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under section 62D.06;

(f) The health maintenance organization has failed to implement the complaint system required by section 62D.11 in a manner designed to reasonably resolve valid complaints;

(g) The health maintenance organization, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;

(h) The continued operation of the health maintenance organization would be hazardous to its enrollees; or

(i) The health maintenance organization has otherwise failed to (SUBSTANTIALLY) comply with sections 62D.01 to 62D.29 or with any other statute or administrative rule applicable to health maintenance organizations, or has submitted false information in any report required hereunder.

Sec. 39. Minnesota Statutes 1982, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount (NOT LESS THAN \$100 NOR MORE THAN) up to \$10,000 for each violation. *In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation.* Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization (SHALL) *may* have a reasonable time within which to remedy the defect in its operations which gave rise to the penalty citation, or have an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 40. Minnesota Statutes 1982, section 62D.17, subdivision 4, is amended to read:

Subd. 4. (a) The commissioner of health may issue an order directing a health maintenance organization or a representative of a health maintenance organization to cease and desist from engaging in any act or practice in violation of the provisions of sections 62D.01 to 62D.29.

(b) Within 20 days after service of the order to cease and desist, the respondent may request a hearing on the question of whether acts or practices in violation of sections 62D.01 to 62D.29 have occurred. Such hearings shall be subject to judicial review as provided by chapter 14.

If the acts or practices alleged involve violation of the reporting requirements under section 62D.08, or if the commissioner of commerce has ordered the rehabilitation, liquidation, or conservation of the health maintenance organization in accordance with section 62D.18, there shall be no automatic stay of the cease and desist order. If a timely request for a hearing is made, the respondent may show cause why the order should be stayed pending completion of the administrative contested case process. Written arguments on this issue shall be filed with the commissioner no later than 30 days from the date the hearing is requested. The commissioner has ten days from the date the written arguments are filed to render a decision regarding the requested stay.

To the extent the acts or practices alleged do not involve violations of section 62D.08, if a timely request for a hearing is made, the cease and desist order shall be stayed for a period of 30 days from the date the hearing is requested. During this

stay, the respondent may show cause why the order should not become effective upon the expiration of the stay. Arguments on this issue shall be made through briefs filed with the commissioner no later than ten days prior to the expiration of the stay.

Sec. 41. Minnesota Statutes 1982, section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.]

Subdivision 1. No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of insurance shall, pursuant to the administrative procedures act, promulgate rules to implement and enforce this section.

Subd. 2. [FACTORS.] In an effort to achieve the stated purposes of 62D.01 to 62D.29; in order to safeguard the underlying nonprofit mode of health maintenance organizations; and to ensure that the payment of health maintenance organization moneys to major participating entities results in a corresponding benefit to health maintenance enrollees, the commissioner of commerce shall give due consideration to the following factors when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity:

(1) the expense incurred or paid by other health maintenance organizations and other health care delivery systems for the same or similar service or goods;

(2) the health maintenance organization's ability, at the time of making the agreement, to contract with other entities offering substantially similar service at a substantially lower cost to the organization;

(3) the impact of the expense incurred on the financial solvency of the health maintenance organization;

(4) all pertinent cost and service data obtained or obtainable by the commissioner of health from the health maintenance organization pursuant to sections 62D.03, 62D.04, 62D.08, 62D.12, and 62D.14 of the act; and

(5) such other information and information collection techniques as the commissioner may employ which show the real cost or fair market value of such service or goods.

Sec. 42. Minnesota Statutes 1982, section 62D.22, subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in sections 62A.01 to 62A.42 and 62D.01 to 62D.29, and except as they eliminate elective, induced abortions, wherever performed, from health or maternity benefits, provisions of the insurance laws and provisions of nonprofit health service plan corporation laws shall not be applicable to any health maintenance organization granted a certificate of authority under sections 62D.01 to 62D.29.

Sec. 43. Minnesota Statutes 1982, section 62D.22, is amended by adding a subdivision to read:

Subd. 9a. Any person or committee conducting a review of a health maintenance organization or a participating entity, pursuant to sections 62D.01 to 62D.29, shall have access to any data or information necessary to conduct the review. All data or information is subject to admission into evidence in any civil action initiated by the commissioner of health against the health maintenance organization. The data and information are subject to chapter 13.

Sec. 44. [INTERAGENCY AGREEMENT.]

In order to implement the provisions of 62D.01 to 62D.30, the commissioner of health and commissioner of commerce shall enter into an agreement for coordinated enforcement of laws pertaining to health maintenance organizations. The agreement shall contain procedures whereby each commissioner, to the extent resources are available, shall provide technical assistance to the other in those policy matters which each commissioner has unique, specialized expertise.

Sec. 45. [REPEALER.]

Minnesota Statutes 1982, sections 62D.10, subdivision 2; 62D.12, subdivision 7; 62D.22, subdivision 9; 62D.27; and 62E.17, are repealed.

Sec. 46. [EFFECTIVE DATE.]

Sections 17 and 24 are effective January 1, 1985."

Delete the title and insert:

"A bill for an act relating to health; health maintenance organizations; providing continued coverage upon replacement of an insurance carrier; including health maintenance organization contracts in certain statutorily mandated coverages; providing for the disclosure and reporting by the organization of detailed financial, administrative and ownership information; providing for reporting of changes in provider agreements; granting the commissioner authority to adopt rules regarding the content of

provider and other agreements; requiring certain deposits against insolvency; authorizing organizations to enter into certain health services contracts; requiring certain consumer rights information in evidences of coverage and annual information statements; providing for reimbursement of, and direct payments to, enrollees; providing for examination by the commissioner of health; specifying the examination powers of the commissioner; classifying certain data used for review purposes; prescribing penalties; amending Minnesota Statutes 1982, sections 60A.082; 62A.041; 62A.042; 62A.044; 62A.14; 62A.147; 62D.02, subdivision 8, and by adding subdivisions; 62D.04; 62D.05, subdivision 3; 62D.07, subdivisions 1, 3, and by adding subdivisions; 62D.08, subdivisions 1, 3, and by adding subdivisions; 62D.09; 62D.10, subdivision 3, and by adding a subdivision; 62D.101, subdivisions 2 and 2a; 62D.12, subdivisions 1, 2, 4, 9, 10, and by adding subdivisions; 62D.14; 62D.15, subdivision 1; 62D.17, subdivisions 1 and 4; 62D.19; 62D.22, subdivision 5, and by adding a subdivision; amending Minnesota Statutes 1983 Supplement, sections 62A.17, subdivision 6; 62D.03, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1982, sections 62D.10, subdivision 2; 62D.12, subdivision 7; 62D.22, subdivision 9; 62D.27; and 62E.17."

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1588, A bill for an act relating to public welfare; clarifying eligibility requirements for the state general assistance program; amending Minnesota Statutes 1982, section 256D.15; Minnesota Statutes 1983 Supplement, sections 256D.01, subdivision 1; and 256D.111, subdivisions 1, 2, and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. [POLICY (; STANDARDS OF ASSISTANCE).] The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal money for public assistance purposes; and to provide an integrated public assistance program for all persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.

It is declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 are entitled to receive grants of general assistance necessary to maintain a subsistence reasonably compatible with decency and health. Providing this assistance is a matter of public concern and a necessity in promoting the public health and welfare.

Subd. 1a. [STANDARDS.] A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative (OF THE RECIPIENT WHO IS ALSO ELIGIBLE FOR GENERAL ASSISTANCE). The standards shall be lowered for recipients who share a residence with a responsible relative who also receives general assistance. For recipients who are not exempt from registration with the department of economic security pursuant to section 256D.111, subdivision 2, clauses (a), (f), (g), and (h), and who share a residence with a responsible relative who is not eligible for general assistance, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant shall be reduced no lower than the point at which the total income of the household, including the general assistance recipient, equals the AFDC standard for a household of like size and composition.

(b) Benefits received by a responsible relative under the supplemental security income program, the social security disability program, a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

If the responsible relative is receiving AFDC benefits, then the amount payable to the general assistance recipient must not exceed the amount that would be attributable to him if he were included in the AFDC grant.

Subd. 1b. [RULES.] The commissioner shall adopt temporary and permanent rules to set standards of assistance to conform with subdivision 1a. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order

to maximize the use of federal funds, the commissioner shall adopt rules, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall provide by rule for eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient.

Sec. 2. Minnesota Statutes 1982, section 256D.02, subdivision 6, is amended to read:

Subd. 6. "Child" means an *adult or minor child of an individual (WHO IS UNDER THE AGE OF 18)*.

Sec. 3. Minnesota Statutes 1982, section 256D.02, subdivision 8, is amended to read:

Subd. 8. "Income" means any form of income, including remuneration for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments (EXCEPT THAT). Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is under a legal duty to support another family member *and the income is not excluded under section 256D.01, subdivision 1a*. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, *except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, shall be included as income*.

Sec. 4. Minnesota Statutes 1982, section 256D.02, is amended by adding a subdivision to read:

Subd. 15. "*Full-time student*" means a student at a post-secondary institution who attends training for a minimum of

25 hours per week if the training does not involve shop practice and for a minimum of 30 hours per week if the training involves shop practice, or who registers for and attends a minimum of 12 semester hours per semester or 12 quarter hours per quarter.

Sec. 5. Minnesota Statutes 1983 Supplement, section 256D.111, subdivision 1, is amended to read:

256D.111 [REGISTRATION FOR WORK; DISQUALIFICATION.]

Subdivision 1. [REGISTRATION REQUIREMENT.] Unless exempt in accordance with the provisions of subdivision 2, an adult who is a recipient of general assistance and who is not employed is required to register for employment services with the department of economic security, be available for work and comply with reasonable reporting and job search requirements as established by the commissioner of economic security in permanent or temporary rule, and accept any offer of suitable employment. *The department of economic security shall promptly verify the names of persons registered under this subdivision for the county welfare agencies.*

Sec. 6. Minnesota Statutes 1983 Supplement, section 256D.111, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] A recipient is not required to register for employment services with the department of economic security and comply with the other requirements of subdivision 1 if he is:

(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person *completing a secondary education program or one* who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other (EMPLOYMENT RELATED EDUCATIONAL) *vocational or technical training* program; (BUT) *however*, the period of time *that* the person is exempted (PURSUANT TO) *under* this clause (,) while (AWAITING) *waiting* for acceptance into the program (,) shall not (EXCEED) *be more than* two months;

(j) an adult member of a household with children in which another adult is employed full time or has registered for employment services with the department of economic security or been accepted in a work training program; or

(k) a person who has been certified as unemployable by the commissioner of economic security.

Sec. 7. Minnesota Statutes 1983 Supplement, section 256D.111, subdivision 5, is amended to read:

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules and is authorized to adopt temporary rules:

(a) providing for a reasonable period of disqualification from the receipt of general assistance for a recipient who is not exempt pursuant to subdivision 2 and who has been finally determined pursuant to the procedure prescribed in subdivision 4 to have failed to comply with the requirements of subdivision 1, provided that the period of disqualification for the first failure to comply shall not exceed one month, *unless a recipient is disqualified as unavailable for work due to full-time student status as defined in section 256D.02, subdivision 15;*

(b) providing for the use of vouchers or vendor payments with respect to the family of a recipient described in clause (a); and

(c) providing that at the time of the approval of an application for general assistance, the local agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations under this section, and the period of disqualification that will be imposed for a failure to comply with those obligations.

Sec. 8. Minnesota Statutes 1982, section 256D.15, is amended to read:

256D.15 [RELATIVE'S RESPONSIBILITY.]

The financial responsibility of a relative for an applicant for or recipient of general assistance shall not extend beyond the relationship of a spouse (,) or a parent of an (APPLICANT OR RECIPIENT WHO IS A CHILD) *adult child who resides with the parent, or the parent of a minor child regardless of where the minor child resides.*"

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 256D.02, subdivisions 6 and 8, and by adding a subdivision; and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1601, A bill for an act relating to commerce; providing a lien for agricultural production inputs; establishing priority and foreclosure requirements; amending Minnesota Statutes 1983 Supplement, section 336.9-312; proposing new law coded in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 336.9-312, is amended to read:

336.9-312 [PRIORITIES AMONG CONFLICTING SECURITY INTERESTS IN THE SAME COLLATERAL.]

(1) The rules of priority stated in other sections of this part and in the following sections shall govern when applicable: section 336.4-208 with respect to the security interests of collecting banks in items being collected, accompanying documents and proceeds; section 336.9-103 on security interests related to other jurisdictions; section 336.9-114 on consignments.

(2) (A PERFECTED SECURITY INTEREST IN CROPS FOR NEW VALUE GIVEN TO ENABLE THE DEBTOR TO PRODUCE THE CROPS DURING THE PRODUCTION SEASON AND GIVEN NOT MORE THAN THREE MONTHS BEFORE THE CROPS BECOME GROWING CROPS BY PLANTING OR OTHERWISE TAKES PRIORITY OVER AN EARLIER PERFECTED SECURITY INTEREST TO THE EXTENT THAT SUCH EARLIER INTEREST SECURES OBLIGATIONS DUE MORE THAN SIX MONTHS BEFORE THE CROPS BECOME GROWING CROPS BY PLANTING OR OTHERWISE, EVEN THOUGH THE PERSON GIVING NEW VALUE HAD KNOWLEDGE OF THE EARLIER SECURITY INTEREST) *Sections 3 to 8 govern the priority of agricultural production input liens in relation to each other and in relation to other security interests in the same crops or livestock.*

(3) A perfected purchase money security interest in inventory has priority over a conflicting security interest in the same inventory and also has priority in identifiable cash proceeds received on or before the delivery of the inventory to a buyer if

(a) the purchase money security interest is perfected at the time the debtor receives possession of the inventory; and

(b) the purchase money secured party gives notification in writing to the holder of the conflicting security interest if the holder had filed a financing statement covering the same types of inventory (i) before the date of the filing made by the purchase money secured party, or (ii) before the beginning of the 21 day period where the purchase money security interest is temporarily perfected without filing or possession (subsection (5) of section 336.9-304); and

(c) the holder of the conflicting security interest receives the notification within five years before the debtor receives possession of the inventory; and

(d) the notification states that the person giving the notice has or expects to acquire a purchase money security interest in inventory of the debtor, describing such inventory by item or type.

(4) A purchase money security interest in collateral other than inventory has priority over a conflicting security interest in the same collateral or its proceeds if the purchase money security interest is perfected at the time the debtor receives possession of the collateral or within 20 days thereafter.

(5) In all cases not governed by other rules stated in this section (including cases of purchase money security interests which do not qualify for the special priorities set forth in subsections (3) and (4) of this section), priority between conflicting security interests in the same collateral shall be determined according to the following rules:

(a) Conflicting security interests rank according to priority in time of filing or perfection. Priority dates from the time a filing is first made covering the collateral or the time the security interest is first perfected, whichever is earlier, provided that there is no period thereafter when there is neither filing nor perfection.

(b) so long as conflicting security interests are unperfected, the first to attach has priority.

(6) For the purposes of subsection (5) a date of filing or perfection as to collateral is also a date of filing or perfection as to proceeds.

(7) If future advances are made while a security interest is perfected by filing, the taking of possession, or under section 336.8-321 on securities, the security interest has the same priority for the purposes of subsection (5) with respect to the future advances as it does with respect to the first advance. If a commitment is made before or while the security interest is so perfected, the security interest has the same priority with respect to advances made pursuant thereto. In other cases a perfected security interest has priority from the date the advance is made.

Sec. 2. Minnesota Statutes 1982, section 386.42, is amended to read:

386.42 [ABSTRACT OF MORTGAGES AND LIENS ON GRAIN CROPS FOR ELEVATOR COMPANIES.]

Any elevator company or grain buyer doing business in this state may annually make written application to the county recorder for an abstract of all designated mortgages and liens upon grains grown during the year (WITHIN THE) *filed with the county recorder*. The application shall state the name and the post office address of the company and be accompanied by a fee. The fee shall be determined by resolution of the county board upon the recommendation of the county recorder based upon the estimated cost of providing the service.

Sec. 3. [514.950] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 3 to 8.

Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means fertilizers or agricultural chemicals that are applied to crops or land that is used for raising crops, including fertilizer material, plant amendment, plant food, and soil amendment as defined in section 17.713, and pesticide and plant regulator as defined in section 18A.21.

Subd. 3. [AGRICULTURAL PRODUCTION INPUT.] "Agricultural production input" means crop production inputs and livestock production inputs.

Subd. 4. [CROP PRODUCTION INPUT.] "Crop production input" means agricultural chemicals, seeds, petroleum products, the custom application of agricultural chemicals and seeds, and labor used in preparing the land for planting, cultivating, growing, producing, harvesting, drying, and storing crops or crop products.

Subd. 5. [FEED.] "Feed" means commercial feeds, feed ingredients, mineral feeds, drugs, animal health products, or customer-formula feeds that are used for feeding livestock, including commercial feed as defined in section 25.33.

Subd. 6. [LETTER OF CREDIT.] "Letter of credit" means a binding, irrevocable, and unconditional agreement by a financial institution to honor drafts or other demands for payment.

Subd. 7. [LIVESTOCK PRODUCTION INPUT.] "Livestock production input" means feed and labor used in raising livestock.

Subd. 8. [PERSON.] "Person" means an individual or an organization as defined in section 336.1-201, paragraph (30).

Subd. 9. [PETROLEUM PRODUCT.] "Petroleum product" means motor fuels and special fuels that are used in the production of crops and livestock, including petroleum products as defined in section 296.01, alcohol fuels, propane, lubes, and oils.

Subd. 10. [PROCEEDS.] "Proceeds" means proceeds as defined in section 336.9-306 except that if rights or duties are contingent upon express language in a financing statement, the requisite language may exist in a lien statement under section 5, and includes farm products, inventory, warehouse receipts, and documents of title.

Subd. 11. [SEED.] "Seed" means agricultural seeds that are used to produce crops, including agricultural seed as defined in section 21.47.

Subd. 12. [SUPPLIER.] "Supplier" means a person who furnishes agricultural production inputs.

Sec. 4. [514.952] [AGRICULTURAL INPUT LIEN; REQUIREMENTS; PRIORITY.]

Subdivision 1. [NOTIFICATION OF AN AGRICULTURAL PRODUCTION INPUT LIEN.] A supplier may notify a lender of an agricultural production input lien by certified letter or by another verifiable method. A lien-notification statement must be delivered to lender in an envelope that states "IMPORTANT—LEGAL NOTICE."

Subd. 2. [LIEN-NOTIFICATION STATEMENT.] The lien-notification statement must disclose the following:

(1) the name and business address of any lender designated as a lender providing a line of credit;

(2) the name and address of the person claiming the lien;

(3) a description and the date or anticipated date of the transaction and the retail cost of the agricultural production input that was furnished;

(4) the name, residential address, and signature of the person to whom the agricultural production input was furnished;

(5) the name and residential address of the owner and the legal description or the location of the real property where the crops to which the lien attaches are growing or are to be grown; or for a lien attaching to livestock, the name and residential address of the owner of the livestock, the location where the livestock will be raised, and a description of the livestock; and

(6) A statement that products and proceeds of the crops or livestock are covered by the agricultural input lien.

Subd. 3. [RESPONSE OF LENDER TO NOTIFICATION.] Within five calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

(1) a letter of credit; or

(2) a written refusal to issue a letter of credit.

Subd. 4. [EFFECT OF RESPONSE.] (a) If a lender responds with a letter of credit, the supplier may not obtain a lien for the amount stated in the letter of credit.

(b) If a lender responds with a refusal to provide a letter of credit, the supplier may obtain a lien for the unpaid retail cost of the agricultural production input.

Subd. 5. [EFFECT OF NO RESPONSE.] If a lender does not respond to the supplier within five calendar days after receiving the lien-notification statement, an agricultural production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same crops or livestock or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement; or

(2) the unpaid retail cost of the agricultural production input identified in the lien-notification statement.

Subd. 6. [LIEN PRIORITY.] An agricultural production input lien does not have priority over liens that arise under chapter 395 or 514. Perfected agricultural production input liens have priority in the order that the lien-notification statements are filed with the filing officer.

Sec. 5. [514.954] [LIEN ATTACHMENT.]

Subdivision 1. [LIEN ON CROPS.] A supplier who furnishes crop production inputs has an agricultural input lien for the unpaid retail cost of the crop production inputs. The lien attaches to: (1) the existing crops upon the land where a furnished agricultural chemical was applied, or if no crops exist, to the next production crop within 16 months following the last date on which the agricultural chemical was applied; (2) the crops produced from furnished seed; or (3) the crops produced, harvested, or processed using a furnished petroleum product. The lien continues in crop products and proceeds, except that the lien does not continue in grain after a cash sale under section 223.16.

Subd. 2. [LIEN ON LIVESTOCK.] A supplier who furnishes livestock production inputs has an agricultural production input lien for the unpaid retail cost of the livestock production input. The lien attaches to all livestock consuming the feed and continues in livestock products and proceeds. A perfected agricultural production input lien that attaches to livestock is for the amount that is the greater of: (1) the difference between the fair market value of the livestock at the time the lien attaches and the sale price, or (2) the difference between the acquisition price of the livestock and the sale price.

Sec. 6. [514.956] [PERFECTION OF LIEN; FILING.]

Subdivision 1. [PERFECTION.] To perfect an agricultural production input lien, the lien must attach and the supplier entitled to the lien must file a verified lien-notification statement with the appropriate filing office under section 336.9-401 by six months after the last date that the agricultural production input was furnished.

Subd. 2. [FAILURE TO PERFECT.] An agricultural production input lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.

Subd. 3. [DUTIES OF FILING OFFICER.] The filing officer shall enter on the lien-notification statement the time of day and date of filing. The filing officer shall note the filing of a lien-notification statement under this section in the manner provided by section 336.9-403 for a financing statement.

Sec. 7. [514.958] [ENFORCEMENT OF LIEN.]

The holder of an agricultural production input lien may enforce the lien in the manner provided in sections 336.9-501 to 336.9-508 subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person for whom the agricultural production input was furnished is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections 336.9-501 to 336.9-508. If a right or duty under sections 336.9-501 to 336.9-508 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

Sec. 8. [514.959] [ENFORCEMENT ACTIONS; LIEN EXTINGUISHED.]

An action to enforce an agricultural production input lien may be brought in district court in a county where some part of the crop or livestock is located after the lien is perfected. A lien-notification statement may be amended, except the amount demanded, by leave of the court in the furtherance of justice. An agricultural production input lien is extinguished if an action to enforce the lien is not brought within 18 months after the date the lien-notification statement is filed.

Sec. 9. [EFFECTIVE DATE.]

This act is effective July 1, 1984, except that an agricultural input lien may not attach to crops planted before December 1, 1984."

Delete the title and insert:

"A bill for an act relating to commerce; providing a lien for agricultural production inputs; establishing priority and foreclosure requirements; amending Minnesota Statutes 1982, section 386.42; and Minnesota Statutes 1983 Supplement, section 336.9-312; proposing new law coded in Minnesota Statutes, chapter 514."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Financial Institutions and Insurance.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1606, A bill for an act relating to elections; prohibiting certain inquiries of voters at or near the polls; amending Minnesota Statutes 1982, section 204C.06, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1632, A bill for an act relating to commerce; providing for the classification of crime reports of the department of commerce; including certain financial institutions within the definition of broker-dealer of securities; broadening the securities transaction exemption for corporate transactions; providing for the receipt of applications for renewal of real estate broker and salesperson licenses; establishing certain fees relating to the regulation of real estate brokers and salespersons; providing for real estate salesperson licensing requirements after examination; clarifying a certain definition relating to recovery from the real estate education, research, and recovery fund; limiting recovery to cases involving judgments against licensed individuals; providing for the depositing of funds under the unclaimed property statutes; regulating sales of unclaimed property; appropriating money; amending Minnesota Statutes 1982, sections 13.81, subdivision 1; 13.82, subdivision 1; 80A.14, subdivision 4; 80A.15, subdivision 2; 80A.30, subdivision 2; 82.17, subdivision 3; 82.20, subdivision 8; 82.21, subdivision 1; 82.22, subdivisions 2 and 5; 345.32; 345.47, subdivision 1; 345.48; 345.49; amending Minnesota Statutes 1983 Supplement, sections 82.22, subdivision 6; and 82.34, subdivision 7.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1982, section 80A.14, subdivision 4, is amended to read:

Subd. 4. [BROKER-DEALER.] "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his own account.

"Broker-dealer" does not include:

- (1) an agent;
- (2) an issuer;
- (3) a (BANK, SAVINGS INSTITUTION OR) trust company (,); or
- (4) *a bank, savings institution, savings and loan association*
 - (i) *acting for the account of others, provided that such activities are conducted in compliance with such rules and regulations as may be adopted by the commissioner;*
 - (ii) *acting for its own account; or,*
 - (iii) *acting in a fiduciary capacity pursuant to the powers and privileges conferred by sections 48.36 to 48.49;*
- (5) a person who has no place of business in this state if he effects transactions in this state exclusively with or through
 - (i) the issuers of the securities involved in the transactions, (ii) other broker-dealers, or (iii) banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit sharing trusts, or other financial institutions or institutional buyers, or to broker-dealers, whether the purchaser is acting for itself or in some fiduciary capacity; or
- ((5)) (6) other persons not within the intent of this subsection whom the commissioner by rule or order designates."

Page 8, after line 19, insert:

"Sec. 7. Minnesota Statutes 1982, section 82.20, subdivision 9, is amended to read:

Subd. 9. [TERMINATIONS; TRANSFERS.] (a) Except as provided in paragraph (b), when a salesperson termi-

nates his activity on behalf of a broker, the salesperson's license shall be ineffective. Within ten days of the termination the broker shall notify the commissioner in writing, and shall return to the commissioner the license of the salesperson. The salesperson may apply for transfer of the license to another broker at any time during the remainder of the license period, on forms provided by the commissioner. If the application for transfer qualifies, the commissioner shall grant the application. Upon receipt of a transfer application and payment of the transfer fee, the commissioner may issue a 45 day temporary license. If an application for transfer is not made within the license period, the commissioner shall require that an application for a new license be filed.

(b) When a salesperson terminates his activity on behalf of a broker in order to begin association immediately with another broker, the commissioner shall permit the automatic transfer of the salesperson's license. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office. The commissioner may adopt rules and prescribe forms as necessary to implement this paragraph.

(c) When a broker terminates his activity in order to begin association with another broker, the commissioner shall permit the automatic transfer of the broker's license to a salesperson's license. If there are licensed salespersons working for the broker he shall certify that a broker will remain in the company he is leaving prior to issuance of the transfer. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office."

Page 11, after line 11, insert:

"Sec. 12. Minnesota Statutes 1983 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After July 1, 1978, all real estate salespersons not subject to or who have completed the educational requirements contained in subdivision 6 and all real estate brokers shall be required to successfully complete 45 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, within three years after their annual renewal date.

(b) For the purposes of administration, the commissioner shall classify by lot, the real estate brokers and salespersons subject to (a) above, in three classifications of substantially equal size. The first class shall complete 15 hours of approved real estate study between July 1, 1978 and June 30, 1979 in-

clusive. The second class shall complete 30 hours of approved real estate study between the dates of July 1, 1978 and June 30, 1980 inclusive. The third class shall complete 45 hours of approved real estate study between the dates of July 1, 1978 and June 30, 1981. After the first period, each class shall complete the prescribed educational requirements during successive three year periods.

(c) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(d) Any program approved by Minnesota Continuing Legal Education shall be approved by the commissioner of (SECURITIES AND REAL ESTATE) *commerce* for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate. *If the course consists of less than 50 percent substantive and procedural knowledge of real estate, credit shall be granted only for the portion directly related to real estate.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 23, delete "subdivision 8" and insert "subdivisions 8 and 9"

Page 1, line 26, delete "subdivision 6" and insert "subdivisions 6 and 13"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1633, A bill for an act relating to metropolitan government; allowing the mosquito control district to take certain actions; amending Minnesota Statutes 1982, section 473.704, subdivision 17.

Reported the same back with the following amendments:

Page 1, line 24, strike "spray with" and insert "apply"

Page 2, line 1, after the period insert "*The commission shall give reasonable notification to the governing body of the local*

unit of government prior to applying insecticides outside of the district on land located within the jurisdiction of the local unit of government."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1635, A bill for an act relating to commerce; providing various definitions applicable to the regulation of sales of subdivided lands; providing for the registration of subdivided lands; requiring the use of public offering statements; providing certain exemptions to the subdivided land statutes; providing for the rescission of subdivided land sales contracts; regulating the filing of subdivided land documents; prohibiting the publishing of false, misleading, or deceptive advertising regarding subdivided lands; providing the filing of annual reports; regulating supplemental subdivided land reports; providing for the revocation or suspension of a subdivided land registration; regulating service of process on subdivided land registration applicants; establishing prohibited practices; prescribing penalties; amending Minnesota Statutes 1982, sections 83.20, subdivisions 1, 5, 11, and by adding subdivisions; 83.21; 83.23; 83.24; 83.25, subdivision 1; 83.26; 83.27; 83.28; 83.29, by adding subdivisions; 83.30; 83.31; 83.33, subdivisions 1 and 2; 83.34, subdivision 1; 83.35; 83.36; 83.37; 83.38, subdivision 2; 83.39; 83.40; 83.41; 83.42; proposing new law coded in Minnesota Statutes, chapter 83; repealing Minnesota Statutes 1982, section 83.33, subdivision 3.

Reported the same back with the following amendments:

Page 3, line 22, delete "*camping*"

Page 3, line 23, delete "*club,*"

Pages 3 and 4, delete section 6

Page 4, lines 16 and 36, delete "*30 and 31*" and insert "*29 and 30*"

Page 15, line 13, delete "*30*" and insert "*29*"

Page 15, line 14, delete "*31*" and insert "*30*"

Page 16, line 24, delete "*30 and 31*" and insert "*29 and 30*"

Page 16, line 26, delete "and"

Page 16, line 26, after "83.30" insert ", and 83.31"

Page 18, line 34, after "13" delete the comma and insert "and"
and after "14" delete ", and"

Page 18, line 35, delete "15"

Page 20, line 4, delete "30" and insert "29"

Page 20, line 5, delete "31" and insert "30"

Page 21, lines 9 and 30, delete "30 and 31" and insert "29 and
30"

Page 22, line 36, delete "30 and 31" and insert "29 and 30"

Page 24, line 24, delete "30" and insert "15"

Page 26, line 15, delete "10" and insert "9"

Page 26, line 17, delete "30" and insert "29"

Page 26, line 18, delete "31" and insert "30"

Page 26, lines 19, 26, and 28, delete "30 and 31" and insert "29
and 30"

Page 27, lines 3 and 36, delete "30 and 31" and insert "29 and
30"

Page 28, line 17, delete "30 and 31" and insert "29 and 30"

Page 29, lines 27 and 31, delete "30 and 31" and insert "29 and
30"

Page 30, line 14, delete "31" and insert "30"

Page 30, line 28, delete "30 and 31" and insert "29 and 30"

Page 30, line 36, delete "31" and insert "30"

Page 31, line 18, delete "30 and 31" and insert "29 and 30"

Page 32, line 6, delete "31" and insert "30"

Page 32, lines 16 and 31, delete "30 and 31" and insert "29 and
30"

Page 33, lines 2, 20, and 31, delete "30 and 31" and insert "29 and 30"

Page 34, line 15, delete "30" and insert "29"

Page 34, line 16, delete "31" and insert "30"

Page 34, lines 18 and 22, delete "30 and 31" and insert "29 and 30"

Page 35, lines 1, 2, and 11, delete "30 and 31" and insert "29 and 30"

Page 35, lines 30 and 31, delete "31" and insert "30"

Page 36, line 17, delete "32" and insert "31"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 1651, A bill for an act relating to crimes; setting penalties for flight from a peace officer under certain conditions; amending Minnesota Statutes 1982, section 609.487, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1982, section 65B.605, subdivision 2, is amended to read:

Subd. 2. [PEACE OFFICER; DEFINITION.] For purposes of this section, "peace officer" means an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officer standards and training, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and Minnesota conservation officers.

Sec. 2. Minnesota Statutes 1982, section 609.487, subdivision 2, is amended to read:

Subd. 2. [PEACE OFFICER; DEFINITION.] For purposes of this section, "peace officer" means an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officer standards and training, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and Minnesota conservation officers."

Page 2, after line 1, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "including conservation officers as peace officers authorized to enforce the crime of fleeing a peace officer and related laws;"

Page 1, line 4, delete "section" and insert "sections 65B.605, subdivision 2; and"

Page 1, line 4, delete "subdivision" and insert "subdivisions 2 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1658, A bill for an act relating to elections; requiring employers to pay employees during their service as election judges; amending Minnesota Statutes 1983 Supplement, section 204B.195.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1660, A bill for an act relating to public welfare; directing the commissioner of public welfare to study the need for a home and community-based service and apply for a waiver for chronically ill children under the federal medicaid program; proposing new law coded in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 1, line 14, after "*been*" insert "*and will continue to be*" and delete "*for a period longer than six*"

Page 1, line 15, delete "*months, and would continue to be hospitalized*"

Page 1, line 25, delete "*as amended through December 31, 1982*"

Page 2, line 2, delete "*social*" and insert "*supplemental*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1671, A bill for an act relating to communications; creating the Minnesota telecommunications council; appropriating money; proposing new law coded as Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 2, line 7, delete "*21*" and insert "*23*"

Page 2, delete lines 8 to 14 and insert:

"(1) four members, appointed by the governor, representing elementary and secondary education, vocational technical education, public and private higher education, and librarians;

(2) four members, appointed by the governor, representing state agencies;"

Page 2, line 15, delete "*(6)*" and insert "*(3)*"

Page 2, line 15, after "*commission*" insert "*, or a designee of the chair*"

Page 2, line 16, delete "(7)" and insert "(4)"

Page 2, line 16, after "*board*" insert "*, or a designee of the chair*"

Page 2, line 17, delete "(8)" and insert "(5)"

Page 2, line 18, delete "*and*"

Page 2, after line 18, insert :

"(6) two members, appointed by the governor, representing the telecommunications industry and two members, appointed by the governor, of labor organizations which represent telecommunications workers;

(7) two public members, appointed by the governor, who are not employed in the telecommunications industry; and"

Page 2, line 19, delete "(9)" and insert "(8)" and delete "*ten*" and insert "*six*"

Page 2, line 21, delete "*appoint*" and insert "*include, but is not limited to,*"

Page 2, line 23, after "*systems,*" insert "*and*" and after "*government*" delete "*, and*"

Page 2, line 24, delete everything before the period

Page 3, line 20, after "*laws*" insert "*pertinent to the council's duties*"

Page 3, line 21, after "*of*" insert "*federal,*"

Page 3, after line 31, insert :

"The council may accept gifts and grants in furtherance of the purposes of sections 1 to 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1673, A bill for an act relating to state government; providing for purchase of certain computer equipment by state employees; proposing new law coded in Minnesota Statutes, chapter 16.

Reported the same back with the following amendments:

Page 1, line 9, before "A" insert "*Notwithstanding any law to the contrary,*"

Page 1, line 12, delete "*must*" and insert "*may*"

Page 1, line 16, after the period insert "*A vendor may provide for the purchases permitted under this section to be made through retail stores which agree to make these sales.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1678, A bill for an act relating to insurance; clarifying annual statement filing requirements; providing for the suspension of authority of self-insurance entities or self-insurers; modifying certain existing fees and providing certain new fees; transferring certain duties of the commissioner of commerce to the commissioner of revenue; establishing certain taxation filing requirements; providing for agent license renewals; authorizing the issuance of orders to show cause relating to license revocations; clarifying continuing education reporting requirements; modifying certain insurance licensing dates; providing for the service of process on foreign companies and unauthorized insurers; removing the countersignature requirement for certain bid bonds and insurance policies; clarifying policy form filing requirements; providing for the use of health insurance claim forms; providing for the use of fire insurance binders; modifying the definitions of "motorcycle," "motor vehicle," "policy," and "utility vehicle" for purposes of automobile insurance regulation; increasing certain liability coverage on automobile insurance plan policies; providing for the cancellation or nonrenewal of a policy; defining "plan of reparation security"; requiring certain premium reports to be filed with the commissioner; prohibiting discrimination based on sex or marital status; modifying the expiration date of adjuster's licenses; providing for the appointment of the board of the com-

pensation reinsurance association; making various technical changes; providing remedies; prescribing penalties; appropriating money; amending Minnesota Statutes 1982, sections 60A.13, subdivision 6, and by adding a subdivision; 60A.15, subdivisions 1, 2, 2a, 6, 8, 9, 10, and by adding subdivisions; 60A.17, subdivisions 3, 5b, and by adding a subdivision; 60A.18, subdivision 3; 60A.19, subdivision 4; 60A.199; 60A.21, subdivision 2; 60A.23, subdivision 5; 61A.03, by adding a subdivision; 62A.025; 65A.03; 65B.001, subdivision 4; 65B.06, subdivision 2; 65B.14, subdivisions 2 and 3; 65B.16; 65B.19; 65B.43, subdivisions 2, 13, and by adding a subdivision; 69.021, subdivisions 1, 2, 3, and by adding a subdivision; 69.58; 69.59; 72A.061, subdivision 2; 72A.07; 72A.20, by adding a subdivision; 72A.23, subdivision 1; 72B.04, subdivisions 7 and 10; 79.10; 176.181, subdivision 2, and by adding a subdivision; 271.01, subdivision 5; 299F.21; 299F.22; 299F.23; 299F.24; 299F.26, subdivisions 1 and 2; 424.165, subdivision 1; and 574.32; Minnesota Statutes 1983 Supplement, sections 60A.05; 60A.14, subdivision 1; 60A.15, subdivisions 11 and 12; 60A.17, subdivisions 1a, 1d, and 6c; 60A.1701, subdivisions 5, 10, and 11; 60A.198, subdivision 3; 65A.01, subdivision 3; 65B.17, subdivision 1; 69.011, subdivision 1; and 79.37; proposing new law coded in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 1982, sections 65B.15, subdivision 3; and 65B.48, subdivision 8.

Reported the same back with the following amendments:

Page 6, line 18, strike "If unpaid by"

Page 6, line 19, strike "such dates penalties"

Page 6, line 21, delete the new language

Page 6, line 22, delete the new language and strike the old period

Page 6, after line 27, insert:

"Sec. 6. Minnesota Statutes 1982, section 60A.15, is amended by adding a subdivision to read:

Subd. 1a. [ADDITION TO THE TAX.] In case of any underpayment of installments by an insurer, there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of underpayment.

Sec. 7. Minnesota Statutes 1982, section 60A.15, is amended by adding a subdivision to read:

Subd. 1b. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 1a, the amount of the underpayment shall

be the excess of: (1) the amount of the installment; over (2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Sec. 8. Minnesota Statutes 1982, section 60A.15, is amended by adding a subdivision to read:

Subd. 1c. [PERIOD OF UNDERPAYMENT.] The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier:

(1) on March 1 following the close of the taxable year;

(2) with respect to any portion of the underpayment, the date on which that portion is paid. For purposes of this clause, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent the payment exceeds the amount of the installment determined under subdivision 1c, clause (1) for the installment date.

Sec. 9. Minnesota Statutes 1982, section 60A.15, is amended by adding a subdivision to read:

Subd. 1d. [DEFINITION OF TAX.] The term "tax" means the tax imposed by chapter 60A.

Sec. 10. Minnesota Statutes 1982, section 60A.15, is amended by adding a subdivision to read:

Subd. 1e. [FAILURE TO FILE AN ESTIMATE.] In the case of an insurer which fails to file an estimated tax for a taxable year when one is required, the period of the underpayment shall run from the installment dates as set forth in subdivision 1 or 2 to whichever of the periods set forth in subdivision 1c is the earlier."

Page 7, line 6, strike "penalties"

Page 7, lines 8 and 9, delete the new language and insert "*there shall be added to the tax for the taxable year an amount determined pursuant to subdivisions 1a to 1c*"

Page 7, line 18, strike the old language after "(a)"

Page 7, lines 19 to 29, strike the old language and delete the new language

Page 7, line 30, strike "(b)"

Page 7, line 35, strike "(c)" and insert "(b)"

Page 8, line 4, strike "(d)" and insert "(c)"

Page 8, after line 7, insert:

"(d) If unpaid by this date penalties and interest as provided in section 290.53, subdivision 1, shall be imposed."

Page 13, delete lines 35 and 36

Page 14, delete lines 1 to 16 and insert:

"Subd. 9d. [CRIMINAL PROVISIONS.] In addition to the penalties hereinbefore prescribed, the provisions of section 290.53, subdivision 4, shall apply to persons required by chapter 60A to make a return."

Page 14, delete lines 27 to 32

Page 25, line 30, before "The" insert *"If the commissioner determines that one of the conditions listed in subdivision 6c exists,"*

Page 29, line 10, delete "A fee"

Page 29, line 11, delete everything through the period

Page 29, line 13, delete *"instructing or"*

Page 32, after line 6, insert:

"Sec. 35. Minnesota Statutes 1982, section 60A.19, subdivision 8, is amended to read:

Subd. 8. [INSURANCE FROM UNLICENSED FOREIGN COMPANIES.] When any person, firm, or corporation desires to obtain insurance upon any property, interests, or risks of any nature other than life insurance in this state in companies not authorized to do business therein he or they shall give bond to the commissioner of commerce in such sum as he shall deem reasonable, with satisfactory resident sureties, conditioned that the obligors, on the expiration of a license to obtain such insurance, shall pay to the commissioner of revenue, for the use of the state, a tax of two percent upon the gross premiums paid by the licensee. Thereupon the commissioner of commerce shall issue such license, good for one year, and all insurance procured thereunder shall be lawful and valid and the provisions of all policies thereof shall be deemed in accordance, and construed as if identical in effect, with the standard policy prescribed by the laws of this state and the insurers may enter the state to perform

any act necessary or proper in the conduct of the business. This bond may be enforced by the commissioner of commerce in his own name in any district court. The licensee shall file with the commissioner of commerce on June thirtieth and December thirty-first annually a verified statement of the aggregate premiums paid and returned premiums received on account of such insurance."

Page 40, after line 30, insert:

"Sec. 41. [61A.255] [SPECIAL PROVISION.]

For the purposes of sections 61A.24 and 61A.25, insurers may utilize the 1958 Commissioners Standard Ordinary and the 1958 Commissioners Extended Term smoker and nonsmoker mortality tables and the 1980 Commissioners Standard Ordinary and the 1980 Commissioners Extended Term smoker and nonsmoker mortality tables in addition to the tables specified in sections 61A.24 and 61A.25. The tables may be utilized as provided in the model rule permitting smoker and nonsmoker mortality tables for use in determining minimum reserve liabilities and nonforfeiture benefits adopted by the National Association of Insurance Commissioners. This section applies to policies issued on or after January 1, 1984, and before January 1, 1989."

Page 65, line 36, after "that" insert "knowingly"

Page 73, line 27, delete everything after the first "to" and insert "23, 36, 37, 58 to 61, 72 to 79, 81, and"

Page 73, line 28, delete "77" and insert "83"

Page 73, line 30, delete "76" and insert "82"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 38, delete "subdivision 4" and insert "subdivisions 4 and 8"

Page 2, lines 6 and 7, delete "subdivisions 11 and" and insert "subdivision"

Page 2, line 11, delete "chapter 60A" and insert "chapters 60A and 61A"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1680, A bill for an act relating to taxation; income; eliminating withholding on pari-mutuel winnings; repealing Minnesota Statutes 1983 Supplement, section 290.92, subdivisions 27 and 28.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1983 Supplement, section 290.92, subdivision 27, is amended to read:

Subd. 27. Any holder of a class A, B, or D license issued by the Minnesota horse racing commission (, WHO MAKES A PAYMENT OR PAYMENTS FOR WINNINGS ON A PARI-MUTUEL BETTING TICKET OR TICKETS IN AN AMOUNT OF \$200 OR MORE TO THE SAME INDIVIDUAL,) shall deduct (FROM THE PAYMENT OR PAYMENTS) and withhold (11) 10 percent of (THE AMOUNT) *the payment of winnings which are subject to withholding* as Minnesota withholding tax. For purposes of this subdivision, (WINNINGS FROM A PARI-MUTUEL BETTING TICKET MUST BE DETERMINED BY REDUCING THE AMOUNT RECEIVED BY THE AMOUNT PAID FOR THE TICKET, AND PAYMENTS FOR WINNING ON A PARI-MUTUEL BETTING TICKET WHICH ARE NOT MONEY MUST BE TAKEN INTO ACCOUNT AT THEIR FAIR MARKET VALUE) *the term “winnings which are subject to withholding” has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1983.* For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 28 but is not liable to any person for the amount of the payment.

Sec. 2. [REPEALER.]

Minnesota Statutes 1983 Supplement, section 290.92, subdivision 28, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "eliminating" and insert "changing"

Page 1, line 3, delete "repealing" and insert "amending"

Page 1, line 4, delete "subdivisions 27 and" and insert "subdivision 27;"

Page 1, line 5, before "28" insert "repealing Minnesota Statutes 1983 Supplement, section 290.92, subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1689, A bill for an act relating to vocational-technical education; permitting South Dakota residents to attend Minnesota postsecondary vocational-technical schools at Minnesota resident tuition rates; amending Minnesota Statutes 1982, section 124.565, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1706, A bill for an act relating to St. Louis Park; providing authority to the housing and redevelopment authority to review and approve development in redevelopment areas.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1707, A bill for an act relating to gambling; creating a charitable gambling control board and prescribing its powers and duties; imposing a tax on the gross receipts of charitable gambling; making an annual appropriation; prescribing penalties; amending Minnesota Statutes 1982, sections 349.11; 349.12; 349.13; 349.14; 349.15; 349.16; 349.17; 349.18; 349.19; 349.20; 349.21; 349.22; and 349.31, subdivision 1; Minnesota Statutes 1983 Supplement, sections 340.14, subdivision 2; 609.75, subdivision 3; and 609.761; proposing new law coded in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1982, section 349.26.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 340.14, subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] Every licensee shall be responsible for the conduct of his place of business and for conditions of sobriety and order therein. No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same, or in any adjoining building, directly or indirectly under its control to be used as a resort for prostitutes or other disorderly persons, except that gambling devices may be kept or operated and raffles conducted on licensed premises and adjoining rooms when such activities are licensed by the (LOCAL UNIT OF GOVERNMENT PURSUANT TO SECTION 349.26) *charitable gambling control board under sections 349.11 to 349.213*. No person under 18 years of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale," except that persons under 18 years of age may be employed as musicians or to perform the duties of a busboy or dishwashing services in places defined as a restaurant or hotel or motel serving food in rooms in which intoxicating liquors are sold at retail "on-sale." Persons under 18 years of age may be employed as waiters or waitresses in places defined as a restaurant, hotel or motel to serve food in rooms in which only wine is sold on-sale, provided they shall not be permitted to serve or sell wine.

Sec. 2. Minnesota Statutes 1982, section 349.11, is amended to read:

349.11 [PURPOSE.]

The purpose of sections 349.11 to (349.23) *349.22* is to (CLOSELY) regulate (AND CONTROL THE CONDUCT OF THE GAME OF BINGO AND TO PROHIBIT COMMERCIALIZATION OF BINGO) *legal forms of gambling to prevent their commercialization, to ensure integrity of operations, and to provide for the use of net profits only for lawful purposes.*

Sec. 3. Minnesota Statutes 1982, section 349.12, is amended to read:

349.12 [DEFINITIONS.]

Subdivision 1. As used in sections 349.11 to (349.23) *349.22* the following terms have the meanings given them.

Subd. 2. "*Lawful gambling*" is the operation, conduct, or sale of bingo, raffles, paddlewheels, tipboards, and pull-tabs.

Subd. 3. "Active member" means a member who has paid all his dues to the organization and has been a member of the organization for at least six months.

Subd. (3) 4. "Bingo" means a game where each player has a card or board for which a consideration has been paid containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. *Bingo also includes games which are as described in this subdivision except for the use of cards where the figures are not pre-printed but are filled in by the players.* A player wins a game of bingo by completing (ANY) a preannounced combination of spaces or, in the absence of a preannouncement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal or diagonal.

Subd. (4) 5. "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played.

Subd. (5) 6. "Checker" means a person who records the number of bingo cards purchased and played during each game and records the prizes awarded to the recorded cards, but does not collect the payment for the cards.

Subd. 7. "*Paddlewheel*" means a wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker to indicate winning chances.

Subd. 8. "Tipboard" means a board, placard, or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

Subd. 9. "Raffle" means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket.

Subd. 10. "Pull-tab" means a single folded or banded ticket or a card with a face covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. "Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar.

Subd. (6) 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing; or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; or (d) the improving, expanding, maintaining or repairing real property owned or leased by an organization.

"Lawful purpose" does not include the erection or acquisition of any real property, unless the local unit of government specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in this clause.

(SUBD. 7. "LOCAL UNIT OF GOVERNMENT" MEANS THE CITY OR TOWN IN WHICH BINGO IS PROPOSED TO BE PLAYED OR IS PLAYED OR, IF THERE IS NO CITY OR TOWN, THE COUNTY IN WHICH BINGO IS PROPOSED TO BE PLAYED OR IS PLAYED.)

Subd. (8) 12. "Organization" means any fraternal, religious, veterans, or other nonprofit organization.

Subd. (9) 13. "Profit" means the gross receipts collected from (ONE OR MORE BINGO OCCASIONS) lawful gambling, less reasonable sums necessarily and actually expended for (BINGO) gambling supplies and equipment, prizes, rent, and utilities used during the (BINGO) gambling occasions, (BINGO

LICENSE FEES) *compensation paid to members for conducting gambling, taxes (RELATED TO BINGO, AND OTHER EXPENSES PERMITTED BY LAWS 1976, CHAPTER 261) imposed by this chapter, and maintenance of devices used in lawful gambling.*

Subd. (10) 14. "Bingo manager" means a (MEMBER) person who has paid all (HIS) dues to (THE) an organization and has been a member of the organization for at least two years and has been designated by (AN) the organization to supervise bingo occasions conducted by it.

Subd. 15. "Gambling manager" means a person who has paid all dues to an organization and has been a member of the organization for at least two years and has been designated by the organization to supervise lawful gambling conducted by it.

Subd. 16. "Gambling equipment" means: bingo cards and devices for selecting bingo numbers, pull-tabs, ticket jars, paddle-wheels, and tipboards.

Subd. 17. "Board" is the charitable gambling control board.

Subd. 18. "Distributor" is a person who sells gambling equipment he manufactures or purchases for resale.

Sec. 4. Minnesota Statutes 1982, section 349.13, is amended to read:

349.13 [NOT GAMBLING IF ORGANIZATION CONDUCTS BINGO.]

(BINGO SHALL) *Lawful gambling is not (BE CONSTRUED AS) a lottery or (AS) gambling within the meaning of sections 609.75 to 609.76 if it is conducted (BY AN ORGANIZATION IN COMPLIANCE WITH LAWS 1976, CHAPTER 261) under this chapter.*

Sec. 5. Minnesota Statutes 1982, section 349.14, is amended to read:

349.14 [ORGANIZATION MAY CONDUCT BINGO; LICENSE.]

An organization may conduct (BINGO OCCASIONS) *lawful gambling* if it has been in existence for at least three years, has at least 15 active members, has a license to conduct (BINGO) *lawful gambling* from the (LOCAL UNIT OF GOVERNMENT) board and complies with (SECTIONS 349.15 TO 349.21) *this chapter.*

Sec. 6. Minnesota Statutes 1982, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

Profits from (A BINGO OCCASION SHALL) *lawful gambling* may be expended only for lawful purposes as authorized at a regular meeting of the *conducting* organization.

Sec. 7. [349.151] [CHARITABLE GAMBLING CONTROL BOARD.]

Subdivision 1. [BOARD CREATED.] The charitable gambling control board is created with the powers and duties established by subdivision 4.

Subd. 2. [MEMBERSHIP.] The board consists of nine members appointed as follows:

(1) *two persons appointed by the speaker of the house of representatives;*

(2) *two persons appointed by the president of the senate;*

(3) *three persons appointed by the governor;*

(4) *the commissioner of public safety or his designee; and*

(5) *the attorney general or his designee.*

A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Neither the speaker of the house nor the president of the senate may appoint as his appointees two persons who are members of the same political party, and of the appointees of the governor not more than two may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority. Vacancies on the board are filled in the same manner as the original appointment. Appointments by the speaker of the house of representatives and the president of the senate are for two years and appointments by the governor are for three years. The governor shall appoint the chairperson from among his appointees.

Subd. 3. [COMPENSATION.] The compensation of board members is \$35 per day spent on commission activities, when authorized by the board, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.

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

(1) to issue, revoke, and suspend licenses to organizations and suppliers under sections 349.16 and 349.161;

(2) to collect and deposit license fees and taxes due under this chapter;

(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to ensure compliance with all applicable laws and rules;

(4) to make rules, including temporary rules, required by this chapter;

(5) to register gambling equipment and issue registration stamps under section 349.162;

(6) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling; and

(7) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling.

Subd. 5. [EMPLOYEES.] The board shall employ an executive secretary in the unclassified service and such other employees in the classified service as are required to enable it to carry out its functions. One or more of the employees must be bingo inspectors.

Subd. 6. [ATTORNEY GENERAL.] The attorney general is the attorney for the board. In addition the attorney general may prosecute any violation of sections 349.11 to 349.22 which is a felony or gross misdemeanor.

Sec. 8. Minnesota Statutes 1982, section 349.16, is amended to read:

349.16 [(LOCAL REGULATION) ORGANIZATION LICENSES.]

Subdivision 1. [ISSUANCE OF GAMBLING LICENSES.] (NOTHING IN SECTIONS 349.11 TO 349.23 SHALL BE CONSTRUED TO PROHIBIT A LOCAL UNIT OF GOVERNMENT FROM ADOPTING ORDINANCES, RULES AND REGULATIONS CONCERNING THE CONDUCT OF BINGO WHICH ARE MORE RESTRICTIVE THAN STATE REGULATIONS, INCLUDING AN ORDINANCE TO BAN THE CONDUCT

OF BINGO. PRIOR TO PROMULGATING BINGO REGULATIONS OR ISSUING A BINGO LICENSE, THE LOCAL UNIT OF GOVERNMENT SHALL CONSULT WITH THE LOCAL BUILDING INSPECTOR, IF ANY, AND THE FIRE AND POLICE AUTHORITIES. A LOCAL UNIT OF GOVERNMENT WHICH PERMITS BINGO BUT HAS NOT ADOPTED REGULATIONS SHALL BE DEEMED TO HAVE ADOPTED THE PROVISIONS OF LAWS 1976, CHAPTER 261 AS ITS REGULATIONS. A LOCAL UNIT OF GOVERNMENT MAY AMEND ITS REGULATIONS.)

(SUBD. 2. A LOCAL UNIT OF GOVERNMENT THAT PERMITS BINGO SHALL ESTABLISH A SYSTEM FOR LICENSING ORGANIZATIONS TO CONDUCT BINGO OCCASIONS, AND SHALL ACT ON A BINGO LICENSE APPLICATION WITHIN 180 DAYS FROM THE DATE OF APPLICATION. BUT SHALL NOT ISSUE A LICENSE UNTIL AT LEAST 30 DAYS AFTER THE DATE OF APPLICATION. A LICENSE SHALL BE VALID FOR ONE YEAR, AND MAY BE SUSPENDED OR REVOKED BY THE ISSUING AUTHORITY FOR VIOLATION OF LAWS 1976, CHAPTER 261 OR OF ANY LOCAL ORDINANCE RELATING TO BINGO.)

(SUBD. 3. EACH YEAR THE LOCAL UNIT OF GOVERNMENT SHALL ALLOCATE AN AMOUNT OF MONEY AT LEAST EQUAL TO THE LESSER OF \$25,000 OR 25 PERCENT OF THE AMOUNT IT COLLECTED AND RETAINED FROM BINGO FEES, BINGO LICENSES, AND BINGO TAXES IN THE PRECEDING YEAR FOR THE SUPERVISION, REGULATION AND INSPECTION OF THE CONDUCT OF BINGO) *Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications of section 349.14. Licenses issued under this section are valid for one year and may be suspended or revoked by the board for a violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.*

Subd. 2. [APPLICATION.] All applications for a license under this section must be on a form prescribed by the board. The board may require the applying organization to submit a copy of its articles of incorporation and other documents it deems necessary.

Subd. 3. [FEES.] The board shall by rule establish a schedule of fees for licenses under this section. The schedule must establish three classes of license, authorizing all forms of lawful gambling, all forms except bingo and bingo only. The fees must be in an amount, together with income from fees under section 349.161, sufficient to generate annual income to offset the costs incurred by the board in fulfilling its responsibilities under sections 349.11 to 349.21.

Sec. 9. [349.161] [DISTRIBUTOR LICENSES.]

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for bingo exempt from licensing under section 340.19, except to an organization licensed for lawful gambling; or

(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section.

No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.

Subd. 2. [LICENSE APPLICATION.] The board may issue licenses for the sale of gambling equipment to persons who meet the qualifications of this section. Applications must be on a form the board prescribes.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position, who:

(1) has been convicted of a felony in a state or federal court within the past five years or who has a felony charge pending;

(2) has ever been convicted in a state or federal court of a gambling-related felony; or

(3) is or has ever been engaged in an illegal business.

Subd. 4. [FEES.] The annual fee for a supplier's license is \$1,500.

Subd. 5. [REVOCATION AND SUSPENSION.] A license under this section may be revoked or suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.

Subd. 6. [CRIMINAL HISTORY.] The board may request the assistance of the bureau of criminal apprehension in investigating the background of an applicant for a supplier's license and may reimburse the bureau for the costs thereof. The board has access to all criminal history data compiled by the bureau on licensees and applicants.

Sec. 10. [349.162] [EQUIPMENT REGISTERED.]

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell to an organization and an organization may not purchase from a distributor gambling equipment unless the equipment has been registered with the board and has a registration stamp affixed. The board may charge a fee of up to 25 cents for each stamp. Each stamp must bear a registration number assigned by the board.

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person or firm from whom the equipment was purchased;*
- (2) the registration number of the equipment;*
- (3) the name and address of the organization to which the sale was made; and*
- (4) the date of the sale.*

The record for each sale must be retained for at least three years after the sale is completed. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

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

Subd. 3. [SALES FROM FACILITIES.] All gambling equipment purchased by a licensed distributor for resale in Minnesota must prior to its resale be unloaded into a facility located in Minnesota which the distributor owns or leases.

Sec. 11. Minnesota Statutes 1982, section 349.17, is amended to read:

349.17 [CONDUCT OF BINGO.]

Subdivision 1. [BINGO OCCASIONS.] (NO COMPENSATION SHALL BE PAID TO ANY PERSON IN CONNECTION WITH A BINGO OCCASION EXCEPT AN ACTIVE MEMBER OF THE ORGANIZATION, OR ITS AUXILIARY, OR THE SPOUSE OR SURVIVING SPOUSE OF AN ACTIVE MEMBER, CONDUCTING THE BINGO OCCASION NOR

SHALL ANY PERSON NOT AN ACTIVE MEMBER OF THE ORGANIZATION OR ITS AUXILIARY OR THE SPOUSE OR SURVIVING SPOUSE OF AN ACTIVE MEMBER PARTICIPATE IN THE CONDUCT OF A BINGO OCCASION, EXCEPT BY RESOLUTION OF A MAJORITY OF THE MEMBERSHIP, RECORDED IN THE OFFICIAL MINUTES OF THE ORGANIZATION, NON-MANAGEMENT ASSISTANTS WHO ARE NOT ACTIVE MEMBERS OF THE ORGANIZATION, OR ITS AUXILIARY, OR THE SPOUSE OR SURVIVING SPOUSE OF AN ACTIVE MEMBER, MAY BE HIRED TO ASSIST MEMBERS IN CONDUCTING A BINGO OCCASION. COMPENSATION SHALL NOT EXCEED \$20 FOR A BINGO OCCASION.)

(SUBD. 2. NO) *Not more than 104 bingo occasions each year or two bingo occasions each week (SHALL) may be conducted by (ANY) an organization (. EXCEPT THAT THE LOCAL UNIT OF GOVERNMENT ISSUING THE LICENSE MAY PERMIT ADDITIONAL BINGO OCCASIONS TO BE CONDUCTED BY AN ORGANIZATION), except as provided in this subdivision. A bingo occasion (SHALL) may not continue for more than four consecutive hours.*

The board may permit an organization to conduct more than two bingo occasions in a week and more than 104 bingo occasions in a year if the following procedures are followed:

(1) the organization applies for the additional occasions, stating the number of additional occasions applied for;

(2) the board notifies the governing body of the county or home rule or statutory city in which the applicant is located; and

(3) The governing body fails to adopt a resolution disapproving the additional occasions within 30 days of the notification.

Subd. (3) 2. [BINGO ON LEASED PREMISES.] ((1) ANY) A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, (SHALL) *may not allow more than four bingo occasions to be conducted on the premises in any week.*

((2) ANY ORGANIZATION WHICH LEASES ANY PREMISES TO ONE OR MORE OTHER ORGANIZATIONS FOR PURPOSES INCLUDING THE CONDUCT OF BINGO OCCASIONS SHALL USE THE PROCEEDS OF THE RENTAL, LESS REASONABLE SUMS FOR MAINTENANCE, FURNISHINGS AND OTHER NECESSARY EXPENSES, ONLY FOR LAWFUL PURPOSES AS DEFINED IN SECTION

349.12. NOT LESS THAN ONCE EACH YEAR THE ORGANIZATION SHALL REPORT TO THE LICENSING AUTHORITY THE DISPOSITION OF ALL RECEIPTS WHICH IT HAS RECEIVED DURING THE REPORTING PERIOD FROM THE RENTAL OF ITS FACILITIES TO OTHER ORGANIZATIONS FOR PURPOSES INCLUDING THE CONDUCT OF BINGO OCCASIONS.)

((3) NO ORGANIZATION SHALL CONDUCT BINGO ON ANY LEASED PREMISES WITHOUT A WRITTEN LEASE FOR A TERM AT LEAST EQUAL TO THE REMAINDER OF THE TERM OF THE BINGO LICENSE OF THE ORGANIZATION. LEASE PAYMENTS SHALL BE AT A FIXED MONTHLY RATE, OR RATE PER BINGO OCCASION, NOT SUBJECT TO CHANGE DURING THE TERM OF THE LEASE. NO SUCH LEASE SHALL PROVIDE THAT RENTAL PAYMENTS BE BASED ON A PERCENTAGE OF RECEIPTS OR PROFITS FROM BINGO OCCASIONS.)

(SUBD. 4. PRIZES FOR A SINGLE BINGO GAME SHALL NOT EXCEED \$100 EXCEPT PRIZES FOR A GAME OF THE TYPE COMMONLY KNOWN AS A "COVER-ALL" GAME. "COVER-ALL" PRIZES MAY EXCEED \$100 PROVIDED THAT THE AGGREGATE VALUE OF SUCH PRIZES FOR A BINGO OCCASION SHALL NOT EXCEED \$500. THE AGGREGATE VALUE OF PRIZES FOR A BINGO OCCASION SHALL NOT EXCEED \$2,500 EXCEPT THAT IN THE CASE OF A BINGO OCCASION DURING WHICH A "COVER-ALL" GAME IS PLAYED FOR A MAXIMUM PRIZE OF MORE THAN \$100 BUT NOT MORE THAN \$500, THE AGGREGATE VALUE OF PRIZES FOR THE BINGO OCCASION SHALL NOT EXCEED \$3,000. MERCHANDISE PRIZES SHALL BE VALUED AT FAIR MARKET RETAIL VALUE.)

(SUBD. 5. NO EXPENSE SHALL BE INCURRED OR AMOUNTS PAID IN CONNECTION WITH THE CONDUCT OF BINGO, EXCEPT THOSE REASONABLY EXPENDED FOR BINGO SUPPLIES AND EQUIPMENT, PRIZES, RENT, OR UTILITIES USED DURING THE BINGO OCCASION, BINGO LICENSE FEES, TAXES RELATED TO BINGO, AND COMPENSATION TO ACTIVE MEMBERS WHO CONDUCT THE GAME.)

Subd. (6) 3. Each bingo winner (SHALL) *must* be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted.

(SUBD. 7. ALL BINGO OCCASIONS SHALL BE UNDER THE SUPERVISION OF A BINGO MANAGER DESIGNATED BY THE ORGANIZATION WHO SHALL BE RESPONSIBLE FOR GROSS RECEIPTS AND PROFITS FROM BINGO AND FOR THE CONDUCT OF THE BINGO OCCA-

SION IN COMPLIANCE WITH ALL APPLICABLE LAWS AND ORDINANCES. THE BINGO MANAGER SHALL GIVE A FIDELITY BOND IN THE SUM OF \$10,000 IN FAVOR OF THE ORGANIZATION CONDITIONED ON THE FAITHFUL PERFORMANCE OF HIS DUTIES. TERMS OF THE BOND SHALL PROVIDE THAT NOTICE SHALL BE GIVEN IN WRITING TO THE LICENSING AUTHORITY NOT LESS THAN 30 DAYS PRIOR TO ITS CANCELLATION. THE GOVERNING BODY OF A LOCAL UNIT OF GOVERNMENT MAY WAIVE THIS BOND REQUIREMENT BY INCLUDING A WAIVER PROVISION IN THE BINGO LICENSE ISSUED TO AN ORGANIZATION, PROVIDED THAT A LICENSE CONTAINING SUCH A PROVISION SHALL BE GRANTED ONLY BY UNANIMOUS VOTE.)

(SUBD. 8. NO PERSON SHALL ACT AS A BINGO MANAGER FOR MORE THAN ONE ORGANIZATION.)

Subd. 4. [CHECKERS]. One or more checkers must be engaged for each bingo occasion. The checker or checkers must record, on a form the board provides, the number of cards played in each game and the prizes awarded to recorded cards. The form must provide for the inclusion of the registration number of each card and must include a checker's certification that the figures recorded are correct to the best of the checker's knowledge.

Sec. 12. Minnesota Statutes 1982, section 349.18, is amended to read:

349.18 [(RECORDS; PLAYERS, CARDS AND PRIZES) PREMISES USED FOR GAMBLING.]

(ONE OR MORE CHECKERS SHALL BE ENGAGED FOR EACH BINGO OCCASION. THE CHECKER OR CHECKERS SHALL RECORD THE NUMBER OF CARDS PLAYED IN EACH GAME PRIOR TO THE COMPLETION OF EACH GAME AND RECORD THE PRIZES AWARDED TO THE RECORDED CARDS. EACH CHECKER SHALL CERTIFY ALL FIGURES WHICH HE HAS RECORDED AS ACCURATE AND CORRECT TO THE BEST OF HIS KNOWLEDGE. A LOCAL UNIT OF GOVERNMENT MAY REQUIRE THE RECORDS TO BE ON FORMS WHICH IT PROVIDES) *Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board on request. A lease may not provide for rental payments based on a percentage of receipts or profits from lawful gambling.*

Subd. 2. [EXCEPTIONS.] (a) A licensed organization may conduct raffles on a premise it does not own or lease.

(b) *A licensed organization may, with the permission of the board, conduct bingo on premises it does not own or lease for up to six days in a calendar year, in connection with a county fair or civil celebration.*

Subd. 3. [PROCEEDS FROM RENTAL.] A licensed organization which leases premises it owns to one or more other licensed organizations for purposes including the conduct of lawful gambling may expend the rental proceeds, less reasonable deductions for maintenance, furnishings, and utilities, only for lawful purposes. The rental proceeds must be recorded and reported as proceeds from gambling under section 349.19.

Sec. 13. Minnesota Statutes 1982, section 349.19, is amended to read:

349.19 [(EXEMPTION) RECORDS AND REPORTS.]

(BINGO MAY BE CONDUCTED WITHOUT COMPLYING WITH THE REQUIREMENTS OF SECTIONS 349.14 AND 349.17, SUBDIVISIONS 2 AND 3, IF CONDUCTED: (A) IN CONNECTION WITH A COUNTY FAIR CONDUCTED BY A COUNTY AGRICULTURAL SOCIETY OR ASSOCIATION, THE STATE FAIR CONDUCTED BY THE STATE AGRICULTURAL SOCIETY OR A CIVIC CELEBRATION RECOGNIZED BY RESOLUTION OR OTHER SIMILAR OFFICIAL ACTION OF THE LOCAL GOVERNING BODY PROVIDED THAT THE BINGO IS CONDUCTED FOR NO MORE THAN 12 CONSECUTIVE DAYS IN ANY ONE CALENDAR YEAR; OR, (B) BY AN ORGANIZATION THAT CONDUCTS LESS THAN FIVE BINGO OCCASIONS IN ANY CALENDAR YEAR) *Subdivision 1. [REQUIRED RECORD OF RECEIPTS.] A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, and profits. The board may by rule provide for the methods by which expenses are documented. In the case of bingo, gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion. Separate records must be kept for bingo and all other forms of lawful gambling.*

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling must be segregated from all other revenues of the conducting organization and placed in a separate account. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Subd. 3. [EXPENDITURES.] All expenditures of bingo profits must be itemized as to payee, purpose, amount, and date of payment.

Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes.

Subd. 6. [PRESERVATION OF RECORDS.] Records required to be kept by this section must be preserved for at least three years and may be inspected by employees of the board at any reasonable time without notice or a search warrant.

Subd. 7. [TAX RECORDS.] The board may by rule require each licensed organization to provide copies of forms it files with the United States department of the treasury which are required for organizations exempt from income tax.

Sec. 14. Minnesota Statutes 1982, section 349.20, is amended to read:

349.20 [(RECORDS; RECEIPTS AND PROFITS) MANAGERS.]

(EACH ORGANIZATION SHALL KEEP RECORDS OF ITS GROSS RECEIPTS AND PROFITS FOR EACH BINGO OCCASION. GROSS RECEIPTS SHALL BE COMPARED TO THE CHECKER'S RECORDS FOR THE BINGO OCCASION BY A PERSON WHO DID NOT SELL CARDS FOR THE BINGO OCCASION. ALL DEDUCTIONS FROM GROSS RECEIPTS FROM A BINGO OCCASION SHALL BE DOCUMENTED WITH RECEIPTS OR OTHER RECORDS. THE DISTRIBUTION OF PROFITS SHALL BE ITEMIZED AS TO PAYEE, AMOUNT AND DATE OF PAYMENT.)

(BINGO GROSS RECEIPTS SHALL BE SEGREGATED FROM OTHER REVENUES OF AN ORGANIZATION AND PLACED IN A SEPARATE ACCOUNT. EACH ORGANIZATION SHALL MAINTAIN SEPARATE RECORDS OF ITS BINGO OPERATIONS. THE PERSON WHO ACCOUNTS FOR BINGO GROSS RECEIPTS AND PROFITS SHALL NOT BE THE SAME PERSON WHO ACCOUNTS FOR OTHER REVENUES OF THE ORGANIZATION. RECORDS REQUIRED BY LAWS 1976, CHAPTER 261 SHALL BE PRE-

SERVED FOR THREE YEARS. THE LAW ENFORCEMENT AGENCY OF THE LICENSING AUTHORITY SHALL HAVE THE AUTHORITY TO INVESTIGATE THE BINGO RECORDS OF AN ORGANIZATION AT ANY REASONABLE TIME. ORGANIZATIONS SHALL MAKE AVAILABLE THEIR BINGO RECORDS FOR INVESTIGATION UPON PROPER NOTICE) *All lawful gambling conducted by a licensed organization must be under the supervision of one or more gambling managers. A gambling manager designated by an organization to supervise a gambling occasion is responsible for the gross receipts from the occasion and for its conduct in compliance with all laws and rules. An organization may designate a different person to act as manager for each type of lawful gambling conducted. Each person designated as a gambling manager must give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties, and the terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.*

A person may not act as a gambling manager for more than one organization.

Sec. 15. Minnesota Statutes 1982, section 349.21, is amended to read:

349.21 [(REPORTS; DISCREPANCIES, REPORTING AGENCIES) COMPENSATION.]

(SUBDIVISION 1. IF ANY DISCREPANCY IS FOUND BETWEEN THE AMOUNT OF GROSS RECEIPTS FOR A BINGO OCCASION AS DETERMINED BY THE CHECKER'S RECORDS AND THE AMOUNT OF GROSS RECEIPTS AS DETERMINED BY TOTALING THE CASH RECEIPTS AND THE DISCREPANCY EXCEEDS \$20, THE DISCREPANCY SHALL BE REPORTED TO AND INVESTIGATED BY THE LICENSING AUTHORITY OF THE PLACE WHERE THE BINGO OCCASION WAS HELD.)

(SUBD. 2. AN ORGANIZATION SHALL REPORT MONTHLY TO ITS MEMBERSHIP ITS GROSS RECEIPTS FROM BINGO, ITS PROFITS FROM BINGO AND THE DISTRIBUTION OF THOSE PROFITS ITEMIZED AS REQUIRED BY SECTION 349.20.)

(SUBD. 3. AT LEAST 30 DAYS PRIOR TO CONDUCTING ITS FIRST BINGO OCCASION OF THE YEAR AND ON AN ANNUAL BASIS THEREAFTER, AN ORGANIZATION SHALL FILE WITH THE LOCAL GOVERNMENT UNIT WHICH REGULATES ITS CONDUCT COPIES OF THE FOLLOWING:)

((A) DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE, "RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX," FORM 990, OR A COMPARABLE FORM IF THE ORGANIZATION IS REQUIRED TO FILE THE FORM WITH THE DEPARTMENT OF THE TREASURY;)

((B) DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE, "EXEMPT ORGANIZATION BUSINESS INCOME TAX," FORM 990-T, OR A COMPARABLE FORM IF THE ORGANIZATION IS REQUIRED TO FILE THE FORM WITH THE DEPARTMENT OF THE TREASURY;)

((C) A "STATEMENT OF BINGO OPERATIONS" IN THE FORM PRESCRIBED BY THE LOCAL GOVERNMENTAL UNIT. ALL INFORMATION CONTAINED IN THE STATEMENT SHALL BE TRUE, CORRECT, AND COMPLETE TO THE BEST OF THE KNOWLEDGE OF THE PERSON OR PERSONS SIGNING THE STATEMENT. ANY PERSON WHO SHALL KNOWINGLY MAKE A FALSE STATEMENT OR KNOWINGLY CONCEAL A MATERIAL FACT IN THE STATEMENT SHALL BE SUBJECT TO THE PENALTIES PROVIDED IN SECTION 349.22;)

((D) ANY LEASE AGREEMENTS REQUIRED BY LAWS 1976, CHAPTER 261, EXECUTED BY THE ORGANIZATION IN REGARD TO PREMISES LEASED FOR THE CONDUCT OF BINGO) *Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that nonmanagement assistants who are not active members or spouses may be hired to assist in the conduct of lawful gambling in nonmanagement positions if approved by a majority of the organization's members.*

The amounts of compensation which may be paid under this section must be provided for in a schedule of compensation adopted by the board by rule. In adopting the schedule the board must consider the nature of the participation and the types of lawful gambling participated in.

A licensed organization may pay a percentage of the gross receipts from raffle ticket sales to a nonprofit organization which sells tickets for the licensed organization.

Sec. 16. [349.211] [PRIZE LIMITS.]

Subdivision 1. [BINGO.] Prizes for a single bingo game may not exceed \$100 except prizes for a cover-all game, which may exceed \$100 if the aggregate value of all cover-all prizes in

a bingo occasion does not exceed \$500. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,000. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Subd. 2. [BINGO CUMULATIVE PRIZES.] A prize of up to \$1,000 may be awarded for a single bingo game if the prize is an accumulation of prizes not won in games in previous bingo occasions. The total amount awarded in cumulative prizes in any calendar year may not exceed \$12,000. For bingo occasions in which a cumulative prize is awarded the aggregate value of prizes which may be awarded for the occasion is increased by the amount of the cumulative prize so awarded less \$100.

Subd. 3. [OTHER GAMBLING.] The board by rule shall establish a schedule of prize limits for all other forms of gambling consistent with the purposes set out in section 349.11. The schedule may include daily and annual prize limits and prize limits for each game, raffle, or operation of a gambling device.

Subd. 4. [PRIZE VALUE.] Merchandise prizes must be valued at their fair market value. Free plays awarded as a part of lawful gambling are prizes under sections 349.11 to 349.22 and must be valued at fair market value.

Sec. 17. [349.212] [TAX IMPOSED.]

Subdivision 1. [RATE.] There is hereby imposed a tax on all lawful gambling conducted by licensed organizations at the rate specified in this subdivision. The tax imposed by this section is in lieu of the tax imposed by section 297A.02 and of all local taxes and license fees.

On all lawful gambling the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

Subd. 2. [COLLECTION; DISPOSITION.] The tax must be paid to the board at times and in a manner the board prescribes by rule. The proceeds must be paid to the state treasurer for deposit in the general fund.

Subd. 3. [ANNUAL APPROPRIATION.] At the end of each fiscal year, the commissioner of finance shall certify to the state treasurer the total revenues collected by the board from taxes and fees imposed by this act minus the amount appropriated by law from the general fund to the board for its expenses and operations. The net revenue so certified is hereby annually appropriated to the state arts board for expenditure only as grants for the construction, maintenance, and operation of one or more schools for the arts located within the state.

Sec. 18. [349.213] [LOCAL AUTHORITY.]

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling.

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing an organization license, the board must notify the city council of the statutory or home rule city in which the organization's premises are located or, if the premises are located outside a city, by the county board of the county where the premises are located. If the city council or county board adopts a resolution disapproving the license and so informs the board within 30 days of receiving notice of the license, the license may not be issued or renewed.

Sec. 19. [349.214] [EXEMPTIONS.]

Subdivision 1. [BINGO.] Bingo may be conducted without a license and without complying with sections 349.17, subdivision 1, and 349.18 if it is conducted:

(1) in connection with a county fair, the state fair, or a civic celebration if it is not conducted for more than 12 consecutive days in a calendar year; or

(2) by an organization which conducts four or fewer bingo occasions in a calendar year.

Subd. 2. [RAFFLES.] Raffles may be conducted by an organization as defined in section 349.12, subdivision 13, without complying with sections 349.11 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750. Merchandise prizes must be valued at their fair market value.

Subd. 3. [RAFFLES, CERTAIN ORGANIZATIONS.] The provisions of sections 349.21 and 349.211, subdivision 3, and the membership requirements of sections 349.14 and 349.20 do not apply to raffles conducted by an organization which directly or under contract to the state or a political subdivision delivers health or social services and which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1983, if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Sec. 20. Minnesota Statutes 1982, section 349.22, is amended to read:

349.22 [PENALTY.]

(VIOLATION OF ANY PROVISION OF LAWS 1976, CHAPTER 261 IS A GROSS MISDEMEANOR) *Subdivision 1. [FELONY.] A sale of gambling equipment by a person not licensed for such sale, and a sale of gambling equipment which is not registered under section 349.162, in violation of sections 349.11 to 349.214 in violation of this act is a felony.*

Subd. 2. [GROSS MISDEMEANOR.] Any other violation of sections 349.11 to 349.214 is a gross misdemeanor.

Subd. 3. [OTHER ACTION.] This section (SHALL) does not preclude civil or criminal actions under other applicable law or preclude any agency of government from investigating or prosecuting violations of the provisions of (LAWS 1976, CHAPTER 261) sections 349.11 to 349.214.

Sec. 21. Minnesota Statutes 1982, section 349.31, subdivision 1, is amended to read:

Subdivision 1. [INTENTIONAL POSSESSION; WILFUL KEEPING.] The intentional possession or wilful keeping of a gambling device (UPON ANY) on a licensed premises is cause for the revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, provided that possession of gambling (DEVICES COMMONLY KNOWN AS "PADDLEWHEELS" OR "TIP-BOARDS" OR "PULL-TABS" (OR "TICKET JARS")) OR APPARATUS USED IN CONDUCTING RAFFLES ON THE PREMISES OF A NONPROFIT ORGANIZATION AND OPERATED BY ORGANIZATIONS LICENSED FOR SUCH OPERATION PURSUANT TO SECTION 349.26) equipment as defined in section 349.12, subdivision 17, which is used for gambling licensed by the charitable gambling control board and the manufacture of gambling devices for use in jurisdictions where use of the gambling device is legal as provided for by section 349.40 shall not be cause for revocation of a license.

Sec. 22. Minnesota Statutes 1983 Supplement, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of (A GAMBLING DEVICE) *equipment* or the conduct of a raffle (AS DEFINED IN SECTION 349.26) *under sections 349.11 to 349.22*, by an organization licensed (FOR SUCH OPERATION BY A LOCAL UNIT OF GOVERNMENT PURSUANT TO SECTION 349.26) *by the charitable gambling control board*.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

Sec. 23. Minnesota Statutes 1983 Supplement, section 609.761, is amended to read:

609.761 [OPERATIONS PERMITTED.]

Notwithstanding sections 609.755 and 609.76, (A FRATERNAL, RELIGIOUS, VETERANS OR OTHER NONPROFIT) *an organization may (SET UP OR OPERATE A GAMBLING DEVICE OR CONDUCT A RAFFLE) conduct lawful gambling as defined in section (349.26) 349.12*, if licensed by the (LOCAL UNIT OF GOVERNMENT) *charitable gambling control board* and conducted under (SECTION 349.26) *sections 349.11 to 349.22*, and a person may manufacture, sell or offer for sale a gambling device to the organization, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Sec. 24. [APPROPRIATION.]

There is appropriated from the general fund to the charitable gambling control board for the period beginning the day following final enactment of this act and ending June 30, 1985, the sum of \$—————, or so much thereof as is necessary to carry out the purposes of this act.

Sec. 25. [REPEALER.]

Minnesota Statutes 1982, section 349.26, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 7 and 24 are effective the day following final enactment. All other sections of this act are effective March 1, 1985. All licenses issued by local units of government under Minnesota Statutes 1982, sections 349.16 and 349.26 expire on February 28, 1985."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1708, A bill for an act relating to mental health; authorizing establishment of a demonstration project for treatment of compulsive gamblers; appropriating money; proposing new law coded in Minnesota Statutes, chapter 240.

Reported the same back with the following amendments:

Page 2, line 2, after the period insert "*The commissioner shall deliver a final report to the legislature by January 15, 1986.*"

Page 2, line 26, before the dollar sign insert "*Subdivision 1. [GENERALLY.]*"

Page 2, after line 28, insert:

"Subd. 2. [MATCHING FUNDS.] For purposes of implementing section 1, the commissioner of public welfare is authorized to obtain from private or other governmental sources funds at least equal in amount to the sum appropriated by this section."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1743, A bill for an act relating to occupations and professions; removing an auctioneer's exemption from real

estate brokers and salespersons licensing; amending Minnesota Statutes 1983 Supplement, section 82.18.

Reported the same back with the following amendments:

Page 2, lines 9 to 11, reinstate the stricken language and before the semicolon on line 11, insert "*, and when that person has been employed to auction real estate by a person licensed under this chapter*"

Page 2, lines 12, 18, 22, 25, and 30, reinstate the stricken language and delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1765, A bill for an act relating to economic development; establishing the Minnesota Business Assistance Advisory Task Force; proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 8, delete "ASSISTANCE" and insert "ADVISORY"

Amend the title as follows:

Page 1, line 3, delete "Assistance"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1774, A bill for an act relating to transportation; providing for distribution of town road funds; amending Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred :

H. F. No. 1775, A bill for an act relating to energy and economic development; energy and economic development authority; adding definitions; clarifying duties and powers of the energy and economic development authority; correcting statutory references; amending Minnesota Statutes 1982, sections 116J.88, as amended; 116J.89, subdivision 4; 116J.90, by adding a subdivision; 116J.91, subdivisions 15, 17, 18, and by adding subdivisions; 474.01, subdivisions 7 and 7a; Minnesota Statutes 1983 Supplement, sections 116J.89, subdivisions 1, 1a, 1b, 1c, 2, 6, and 8; 116J.90, subdivisions 1, 2, 3, 5, and 6; 116J.91, subdivisions 1, 4, 11, 12, 16, 19, and 20; 116J.923, subdivision 7; 116J.924, subdivision 3; 116J.925, subdivisions 1 and 3; 275.125, subdivision 12a; Laws 1983, chapter 323, section 5, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 1983 Supplement, sections 116J.922; 116J.923, subdivisions 2 and 12; and 116J.924, subdivision 1.

Reported the same back with the following amendments :

Page 3, line 16, reinstate the stricken language and delete "a"

Page 13, lines 11 to 18, reinstate the stricken language

Page 23, line 3 after "to," insert "voluntary"

Page 23, line 4, delete "ordered" and insert "as provided by a utility and submitted in a plan approved"

Page 23, line 5, after the period insert "Any voluntary investments or expenditures or gifts by a utility as described in this subdivision shall be appropriated to the authority only for purposes of sections 116J.921 to 116J.926."

Page 28, delete lines 1 to 11 and insert :

"116J.62	116M.03
116J.65	116M.04
116J.67	116M.05
116J.88	116M.02
116J.89	116M.06
116J.90	116M.07
116J.91	116M.08

116J.921 116M.09

116J.923 116M.10

116J.925 116M.11

116J.926 116M.12"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1787, A bill for an act relating to public welfare; changing the formula for allocating federal title XX funds to counties; appropriating money; amending Minnesota Statutes 1982, section 256E.07, subdivision 1, and by adding subdivisions; repealing Minnesota Statutes 1982, section 256E.07, subdivision 3.

Reported the same back with the following amendments:

Page 3, line 36, delete "*except Hennepin, Ramsey, and St.*"

Page 4, line 1, delete "*Louis,*" and insert "*whose current year formula share exceeds the amount prescribed by items (1) and (2) of this paragraph,*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1797, A bill for an act relating to transportation; public transit; creating a regional transit board and specifying its powers and duties; transferring certain powers and duties to the regional transit board from the commissioner of transportation and the metropolitan transit commission; specifying certain powers of the metropolitan council; reducing and reappropriating certain appropriations; amending Minnesota Statutes 1982, sections 15.0597, subdivision 1; 161.173; 161.174; 174.22, subdivisions 5, 10, 13, and by adding a subdivision;

174.23, subdivisions 2 and 4; 174.24, subdivisions 1, 2, and 5; 174.265, subdivision 3; 221.295; 352.01, subdivision 2a; 473.121, subdivisions 7, 10, 11, 18, 19, and by adding subdivisions; 473.146, subdivisions 3 and 4; 473.164; 473.167, subdivision 1; 473.168, subdivision 2; 473.181, subdivision 3; 473.223; 473.404; 473.405; 473.409; 473.411; 473.416; 473.435; 473.436, by adding a subdivision; 473.445; 473.446, subdivision 2a, and by adding subdivisions; 473.449; Minnesota Statutes 1983 Supplement, sections 10A.01, subdivision 18; 15A.081, subdivision 7; 174.24, subdivision 3; 221.041, by adding a subdivision; 221.071, subdivision 1; 473.436, subdivision 6; proposing new law coded in Minnesota Statutes, chapters 221; and 473; repealing Minnesota Statutes 1982, sections 174.03, subdivision 5a; 174.24, subdivisions 3a and 4; 174.265; 174.31; 473.121, subdivision 9; 473.401; 473.402; 473.403; 473.411, subdivision 1; 473.413, as amended; 473.451.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 1798, A bill for an act relating to housing; creating a demonstration program for temporary housing in the department of economic security; limiting the scope of the temporary housing program in the housing finance agency; appropriating money; amending Minnesota Statutes 1982, section 462A.05, subdivision 20; proposing new law coded in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 4, line 31, after "on" insert "*less than*"

Page 5, line 10, delete "*This*"

Page 5, delete line 11

Amend the title as follows:

Page 1, line 4, delete "limiting the scope" and insert "clarifying the definition"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1803, A bill for an act relating to Kandiyohi county; permitting the county to use city outlet payments to reduce assessments for benefits from county ditches 10 and 46.

Reported the same back with the following amendments:

Page 1, delete lines 8 to 12 and insert:

"The board of commissioners of Kandiyohi County may abate and cancel all or part of the liens filed against the lands benefited by county ditches 10 and 46, not yet paid in full and refund all or part of the liens that have been paid in full in an amount the board determines to be in excess of the amount to be retained for the future repair of ditches 10 and 46. The percentage of liens not paid and those paid and to be refunded shall be the same."

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete "benefits from" and insert "abate and cancel liens filed against property benefited by"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1830, A bill for an act relating to water well contractors; licensing and regulating use of vertical heat exchangers; amending Minnesota Statutes 1982, section 156A.02, by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 156A.11.

Reported the same back with the following amendments:

Page 1, line 12, after "any" insert "earth-coupled"

Page 1, line 13, delete the comma

Page 1, line 14, delete ", which transfers" and insert "for the purpose of transferring"

Page 2, line 3, delete "*an applicant*" and insert "*the owner of the property on which the vertical heat exchanger is to be installed*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1839, A bill for an act relating to St. Louis County; permitting the county to establish an emergency jobs program.

Reported the same back with the following amendments:

Page 1, line 13, delete "*loans*" and insert "*rules*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1842, A bill for an act relating to economic development; creating the Minnesota Manufacturing Growth Council; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 3, line 33, after the period insert "*This sum is contingent upon matching funds by Minnesota businesses. The match may be in the form of funding, equipment, or loaned personnel.*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1853, A bill for an act relating to public welfare; providing for rulemaking authority for the Community Social

Services Act; amending Minnesota Statutes 1982, section 256E.-05, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 17, delete "program" and insert "service"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1875, A bill for an act relating to certain counties; providing for changes in the administration of county nursing homes; authorizing the establishment of facilities for the provision of supportive services; amending Minnesota Statutes 1982, sections 376.55; 376.56; 376.57; 376.58; 376.59; and 376.60; repealing Minnesota Statutes 1982, sections 376.573; 376.61; 376.62; 376.63; 376.64; 376.65; and 376.66

Reported the same back with the following amendments:

Page 3, delete lines 19 to 36

Page 4, delete lines 1 to 16 and insert:

"376.56 [TAX (LEVY) LEVIES AND BONDS.]

Subdivision 1. The county board of any county establishing or participating in establishing a nursing home, under (THE AUTHORITY GRANTED IN) section 376.55 (, SHALL) may annually levy a tax in (SUCH) the amount (AS IS) necessary to defray all or its proportion of the net costs of maintenance and operation of (SUCH) the nursing home after taking into consideration payments received for care of (PATIENTS) residents, and (IN ADDITION THERETO) a tax to repay the cost of acquiring (SUCH NURSING HOME, AND FOR THE RETIREMENT OF BONDS ISSUED FOR), establishing, equipping, furnishing, enlarging, or adding to a county nursing home, and to pay the principal of and interest on general obligation bonds issued by it for that purpose.

Subd. 2. The proceeds of taxes for costs of maintenance and operation shall be paid by the county by which they are collected into a county nursing home fund, which, in the case of counties operating jointly, shall be kept in the treasury of the county in which the nursing home is located and shall be expended (THEREFROM) as provided in sections 376.55 to 376.66.

Subd. 3. (ANY) Bonds issued under (THE AUTHORITY OF SECTIONS 376.55 TO 376.66 SHALL BE KNOWN AS COUNTY NURSING HOME BONDS AND SHALL) section 376.55, subdivision 3, may be general obligations of the county and (SHALL) may be issued and sold, and (TAX LEVIES) taxes levied for (THE) their payment (THEREOF MADE) in accordance with (THE PROVISIONS OF SECTIONS 475.53 TO 475.72 AND ACTS AMENDATORY THEREOF AND SUPPLEMENTARY THERETO) chapter 475. No election shall be required to authorize the issuance of such bonds for the purpose of improving, remodeling, or replacing an existing nursing home without increase of the number of accommodations for residents. The revenues of the nursing home shall also be pledged for the payment of the bonds and interest and premium, if any, thereon. A portion of the proceeds may be deposited in the debt service fund for the issue, to capitalize interest and create a reserve for the purpose of reducing or eliminating the tax otherwise required by section 475.61 to be levied before issuing the bonds. The remaining proceeds from the sale of (THOSE) the bonds and any surplus funds transferred pursuant to (THE PROVISIONS OF) section 376.55, subdivision 3 shall be credited to and deposited in the county nursing home building fund (BY THE COUNTY AUDITOR AND DEPOSITED TO THE CREDIT OF SUCH FUND BY THE COUNTY TREASURER) of the county in which the nursing home is located.

Subd. 4. The county treasurer of the county in which the nursing home is located shall make payments out of the county nursing home fund and county nursing home building fund on properly authenticated vouchers of the county nursing home administrative board, as (IN SECTIONS 376.55 TO 376.66) provided in sections 376.58 and 376.59. The county treasurer of each county issuing general obligation bonds pursuant to subdivision 3 shall pay such bonds and interest thereon from the county's debt service fund and shall be the custodian of net revenues transmitted by the administrative board for the payment of such bonds."

Page 6, line 28, after the period insert "The county nursing home administrative board may authorize a sum to pay incidental expenses of the nursing home in accordance with the provisions of section 375.16."

Page 7, line 15, after the period, insert "The fiscal year for the nursing home, and the facility for supportive services if it is appropriate, shall be the reporting year designated by the commissioner of public welfare."

Page 9, after line 32, insert:

"Sec. 8. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Amend the title:

Page 1, line 3, after "homes" insert "and the issuance of general obligation bonds for such homes"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1877, A bill for an act relating to enterprise zones; expanding the definition of areas eligible for designation as zones; limiting the designation of border city enterprise zones; clarifying the tax incentives available in enterprise zones; amending Minnesota Statutes 1983 Supplement, sections 273.-1312, subdivisions 4 and 5; 273.1313, subdivisions 1 and 2; 273.-1314, subdivisions 1, 6, 8, 9, 10, and by adding subdivisions.

Reported the same back with the following amendments:

Page 4, line 20, reinstate the stricken language and delete the new language

Page 7, line 9, delete everything after "assessment" and insert "as employment property"

Page 7, line 10, delete "may" and insert "or for a tax reduction pursuant to section 273.1314, subdivision 9, shall"

Page 10, lines 23 to 26, delete the new language

Pages 10 and 11, delete section 9

Page 12, line 24, after "zone" insert "or a designated area under subdivision 9, paragraph (e)"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "subdivisions" and insert "a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1878, A bill for an act relating to building officials; providing for continuing education; amending Minnesota Statutes 1982, section 16.861, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1891, A bill for an act relating to public welfare; setting eligibility criteria for community social services; appropriating money; amending Minnesota Statutes 1982, section 256E.03, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 12, after "*Parents*" insert "*whose income is at or below 90 percent of the state median income*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1911, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore property in Kandiyohi County.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1912, A bill for an act relating to the state agricultural society; changing the authority to make certain contracts; amending Minnesota Statutes 1983 Supplement, section 37.19.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1913, A bill for an act relating to St. Louis County; establishing positions in the unclassified civil service; amending Laws 1941, chapter 423, section 6, as amended.

Reported the same back with the following amendments:

Page 2, line 27, delete "*lobbyist/grant coordinator*" and insert "*grant coordinator/lobbyist*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1915, A bill for an act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.14; 329.15; and 330.10, subdivision 2; repealing Minnesota Statutes 1982, sections 329.10; 329.11; 329.12; 329.13; 329.16; and 329.17, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 329.15, is amended to read:

329.15 [MUNICIPALITIES MAY REGULATE.]

Nothing in sections 329.10 to 329.17 contained shall be construed as prohibiting, or in any way limiting or interfering with, the right of any city, or other municipal corporation or governmental subdivision of the state, to regulate or license the carrying on within such municipality the business of a transient merchant in any case where authority has been, or shall hereafter be, conferred upon it so to do, but the requirements of sections 329.10 to 329.17 shall be in addition thereto. *Provided that if a municipality enacts a licensing requirement a transient merchant shall not be required to obtain a license under section 329.11.*

Sec. 2. Minnesota Statutes 1982, section 329.16, is amended to read:

329.16 [DISPOSAL OF FEES.]

All license fees collected under (SECTIONS 329.10 TO 329.17) *section 329.11* shall be paid into the general revenue fund of the county.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the date following final enactment."

Amend the title as follows:

Page 1, line 4, delete "329.14;"

Page 1, line 5, delete everything after "and"

Page 1, delete lines 6 and 7 and insert "329.16."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1918, A bill for an act relating to elections; restricting the eligibility for appointment as election judge; amending

Minnesota Statutes 1983 Supplement, section 204B.19, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1936, A bill for an act relating to elections; changing the time for filing for school district offices; amending Minnesota Statutes 1982, section 123.32, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1946, A bill for an act relating to the governor; transferring the authority to make certain appointments to various commissioners; providing for filling a membership vacancy on a board reoccurring within three months after the vacancy has been filled; amending Minnesota Statutes 1982, sections 1.35; 15.0575, by adding a subdivision; 16.71, subdivision 1; 16.823, subdivision 2; 35.02, subdivision 1; 116E.02, subdivision 2; 121.934, subdivision 1; 182.656, subdivision 1; and 326.33, subdivision 1; Minnesota Statutes 1983 Supplement, sections 16.911, subdivision 1; 40.03, subdivision 1; 116C.82, subdivision 2; 116E.02, subdivision 1; 250.05, subdivision 2; and 299B.05, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 9, after "may" insert "*, upon notification to the office of the secretary of state,*"

Page 2, delete section 4

Pages 3 to 5, delete sections 6, 7, and 8

Pages 6 and 7, delete section 10

Pages 7 and 8, delete section 13

Page 8, lines 28 and 30, delete "*corrections*" and insert "*public safety*"

Page 9, after line 21, insert :

"Sec. 10. [REPEALER.]

Minnesota Statutes 1982, section 116E.02, subdivision 2, is repealed."

Renumber the sections in sequence

Amend the title as follows :

Page 1, line 8, delete everything after the first semicolon

Page 1, line 9, delete everything before "121.934,"

Page 1, line 12, delete "40.03, subdivision 1;"

Page 1, line 13, delete "116C.82, subdivision 2;"

Page 1, line 14, delete "250.05, subdivision 2;"

Page 1, line 14, after "subdivision 1" insert "; repealing Minnesota Statutes 1982, section 116E.02, subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1952, A bill for an act relating to the city of St. Paul; permitting the city to adopt certain regulations for smoke detection devices.

Reported the same back with the following amendments :

Page 1, line 11, after "*of*" and insert "*one*"

Page 1, line 11, delete "*detectors*" and insert "*detector*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 1974, A bill for an act relating to energy; defining residence; establishing energy efficiency standards for public housing; amending Minnesota Statutes 1983 Supplement, section 116J.27, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 116J.27, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt rules containing minimum energy efficiency standards for existing residences. The standards shall be appropriate for evaluation of the energy efficiency of each major type of residential housing including, but not limited to, one to four family dwellings, apartment buildings, manufactured homes, condominium buildings, and type of ownership. The standards shall be economically feasible in that the resultant savings in energy procurement costs, based on current and projected average residential energy costs in Minnesota as certified by the commissioner in the state register, will exceed the cost of the energy conserving requirements amortized over the ten-year period subsequent to the incurring of the cost. The costs computed under this section shall include reasonable inflation and interest factors. *Subject to the provisions of subdivision 4, with respect to low-rent housing which is owned by a public housing authority or a housing and redevelopment authority, as described in chapter 462, compliance with the standards established by the commissioner shall be determined based upon audits conducted by or on behalf of the housing and redevelopment authority or the public housing authority in conformance with the requirements of Code of Federal Regulations, title 24, sections 965.301 to 965.310. Audits which are conducted by individuals other than employees of the housing and redevelopment authority or the public housing authority shall be conducted by evaluators who are certified pursuant to subdivision 6 or section 116J.31. The determination of the economic feasibility of implementation of the standards in low-rent housing shall be made in accordance with the procedures established by the United States Department of Housing and Urban Development to implement Code of Federal Regulations, title 24, sections 965.301 to 965.310.*

Sec. 2. Minnesota Statutes 1982, section 116J.27, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS.] The commissioner shall conduct inspections on a random basis for compliance with the provisions of subdivision 3. The commissioner (OF ENERGY, PLANNING AND DEVELOPMENT) may authorize a mu-

nicipality, with its consent, to conduct the inspections within the municipality's jurisdiction. Any municipality which conducts an inspections program in conjunction with existing city inspection programs shall have authority under all subdivisions of section 116J.30 to enforce the provisions of subdivision 3; provided that 50 percent of the penalties to be paid to the state treasury for violation of subdivision 3 shall be paid to the municipality. *With respect to low-rent housing owned by a public housing authority or a housing and redevelopment authority as described in chapter 462, the commissioner or the municipality which conducts the inspection shall submit the results of the inspection to the housing and redevelopment authority or the public housing authority for review. If the housing and redevelopment authority or the public housing authority does not concur in the findings of the commissioner or the municipality, then the housing and redevelopment authority or the public housing authority and the commissioner or the municipality shall select a mutually acceptable independent third party or panel of experts knowledgeable in the area of energy conservation. The results of the inspection, the conclusions of the commissioner or the municipality as to compliance with the standards established pursuant to subdivision 1, and the basis for such conclusions, and the position of the housing and redevelopment authority or the public housing authority and the basis for such position shall be submitted to the independent third party or panel for a determination of the specific energy conservation measures which must be completed for compliance with the standards established pursuant to subdivision 1. The costs of the independent third party or panel shall be paid equally by the housing and redevelopment authority or the public housing authority and the commissioner or the municipality.*

Sec. 3. Minnesota Statutes 1982, section 116J.30, is amended by adding a subdivision to read:

Subd. 4. With respect to low-rent housing, the provisions of subdivisions 1 and 3 shall not apply to a violation by a housing and redevelopment authority or a public housing authority, or an employee of either, of section 116J.27 or any rule adopted thereunder.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete "1983 Supplement" and insert "1982"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, delete "subdivision 2" and insert "subdivisions 1 and 4; and 116J.30, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1998, A bill for an act relating to commerce; excluding certain securities and commodities agreements from plain language contract regulation; amending Minnesota Statutes 1983 Supplement, section 325G.30, subdivision 3.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 2009, A bill for an act relating to taxation; modifying and clarifying the small business investment credits; amending Minnesota Statutes 1983 Supplement, section 290.069, subdivisions 1, 2, 4, 5, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 25, after the period insert "*This clause is satisfied if the corporation employs one full-time professional employee and shares a professional employee with another organization engaged in related activities, including but not limited to providing development financing or other services to businesses.*"

Page 3, after line 29, insert:

"A qualified small business does not include an entity engaged primarily in the business of farming or providing licensed professional services. The business of farming includes the activities enumerated in section 290.09, subdivision 29, paragraph (a)."

Page 7, line 32, after the period insert "*The amount of the net investment shall be reduced by any payments made by the qualified small business to redeem shares of its stock or to acquire the assets or stock of another business during a 24-month period beginning one year prior to the taxpayer's purchase of the stock in the qualified small business.*"

Page 8, line 9, after the period insert "*For purposes of the preceding sentence,*"

Page 8, line 18, delete "*investments*" and insert "*an investment*"

Page 8, line 20, delete "*net*" and insert "*credit*"

Page 8, line 21, delete "*investments*"

Page 8, line 23, delete "*each shareholder*" and insert "*the small business corporation*"

Page 8, line 24, delete "*partner*" and insert "*partnership. In no case shall a taxpayer be allowed a maximum credit in excess of that permitted by paragraph (a) or (c)*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2063, A bill for an act relating to the metropolitan airports commission; defining its relationship to the legislature and the metropolitan council; proposing new law coded in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1982, sections 473.611, subdivision 5; and 473.621, subdivision 6.

Reported the same back with the following amendments:

Page 1, before line 10, insert:

"Section 1. Minnesota Statutes 1982, section 473.181, subdivision 5, is amended to read:

Subd. 5. [AIRPORTS.] The council shall review metropolitan airports commission capital projects pursuant to section (473.621, SUBDIVISION 6) 2. (THE PLANS OF THE METROPOLITAN AIRPORTS COMMISSION AND) The development of the metropolitan airports system by the commission shall, as provided in (SECTIONS 473.611, SUBDIVISION 5, AND) *section* 473.655, be consistent with the development guide of the council."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1982, section 473.181, subdivision 5;"

With the recommendation that when so amended the bill pass.

The report was adopted.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 5.8 that H. F. No. 2063 be re-referred to the Committee on Governmental Operations. The Speaker deferred his decision pursuant to section 244 of "Mason's Manual of Legislative Procedure."

Mann from the Committee on Transportation to which was referred:

H. F. No. 2180, A resolution memorializing the President and Secretary of Transportation of the United States, the National Transportation Safety Board, and the Minnesota Congressional delegation to implement a program for the reflectorization of railroad rolling stock.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 311, A bill for an act relating to public welfare; requiring licensure for adult day care facilities; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and by adding a subdivision; 245.783, by adding a subdivision; 245.791; 245.802, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 245.782, subdivision 2, is amended to read:

Subd. 2. "Person" means an adult who is handicapped by reason of mental retardation, mental illness, chemical dependency, or physical handicap (AND); a child, whether handicapped or not; and, for purposes of adult day care and adult foster care, an adult who is functionally impaired.

Sec. 2. Minnesota Statutes 1982, section 245.782, subdivision 5, is amended to read:

Subd. 5. "Day care facility" means any facility, public or private, which for gain or otherwise regularly provides one or more persons with care, training, supervision, habilitation, rehabilitation, or developmental guidance on a regular basis, for periods of less than 24 hours per day, in a place other than the person's own home. Day care facilities include, but are not limited to: family day care homes, group family day care homes, day care centers, day nurseries, nursery schools, (DAYTIME ACTIVITY CENTERS) *developmental achievement centers*, day treatment programs, *adult day care centers*, and day services.

Sec. 3. Minnesota Statutes 1982, section 245.782, is amended by adding a subdivision to read:

Subd. 14. "Functionally impaired" means having a condition that includes having substantial difficulty in carrying out one or more of the essential major activities of daily living, such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working, or having a disorder of thought or mood that significantly impairs judgment, behavior, capacity to recognize reality, or ability to cope with the ordinary demands of life and requiring support to maintain independence in the community.

Sec. 4. Minnesota Statutes 1982, section 245.791, is amended to read:

245.791 [EXCLUSIONS.]

Sections 245.781 to 245.812 shall not apply to:

- (1) Day care or residential care provided by a relative to related persons;
- (2) Day care or residential care provided for a cumulative total of less than 30 days in any 12 month period;
- (3) Day care provided for persons from a single unrelated family for any length of time;
- (4) A home caring for a person placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years after placement;
- (5) A licensed hospital whose psychiatric or chemical dependency program is located within the hospital.

(6) A nursing home, hospital, or boarding care home, licensed by the state commissioner of health, except that an identifiable unit of such a facility which regularly provides care for more than five (HANDICAPPED PERSONS) *adults defined as persons in Minnesota Statutes, section 245.782, subdivision 2*, must be licensed under sections 245.781 to 245.812;

(7) (A DAY CARE OR RESIDENTIAL FACILITY SERVING FEWER THAN FIVE PHYSICALLY OR MENTALLY HANDICAPPED ADULTS;)

((8)) A day care or residential program serving any number of (NONHANDICAPPED) adults *who are not defined as persons under Minnesota Statutes, section 245.782, subdivision 2*;

((9)) (8) A sheltered workshop day program, certified by the state board of education;

((10)) (9) A work activity day program, certified by the state board of education;

((11)) (10) A work-wage home providing care for one non-related child who has reached his sixteenth birthday and who has been independently placed for purposes of education or employment;

((12)) (11) A school under the general supervision of the commissioner of education or a local education agency;

((13)) (12) A residential or day care facility under the direct control and supervision of a local education agency or a state agency other than the commissioner;

((14)) (13) Day care provided for periods of no more than three hours per day for any person while his relatives are in the same building, or can be present in the same building within 30 minutes;

((15)) (14) Facilities which in the judgment of the commissioner of education are operated for the primary purpose of educating children shall be exempt from these rules and regulations except insofar as the regulations affect the health and safety of the children therein. The classrooms shall meet the applicable standards of the commissioner of public safety and state commissioner of health.

Sec. 5. Minnesota Statutes 1982, section 245.802, is amended by adding a subdivision to read:

Subd. 1a. [ADULT DAY CARE CENTERS.] The commissioner shall establish licensure requirements for adult day care

centers and shall license each center that applies for a license and meets those requirements.

Sec. 6. [RULES.]

The commissioner may promulgate permanent rules to implement the provisions of sections 1 to 5. The commissioner of health shall assist the commissioner of public welfare in determining appropriate license requirements.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public welfare; requiring licensure for adult day care facilities; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and by adding a subdivision; 245.783, by adding a subdivision; 245.791; and 245.802, by adding a subdivision."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted

Tomlinson from the Committee on Taxes to which was referred:

S. F. No. 1196, A bill for an act relating to taxation; providing a temporary sales tax exemption for sales by community service organizations.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 585, 1180, 1273, 1325, 1404, 1418, 1436, 1445, 1446, 1466, 1507, 1533, 1550, 1553, 1561, 1606, 1632, 1633, 1635, 1651, 1658, 1673, 1680, 1706, 1743, 1774, 1775, 1803, 1830, 1839, 1853, 1875, 1877, 1878, 1911, 1912, 1913, 1915, 1918, 1936, 1946, 1952, 1974, 1998, 2009 and 2180 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1350, 311 and 1196 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Gutknecht introduced:

H. F. No. 2191, A bill for an act relating to unemployment compensation; amending the term "credit week" to mean a week in which an individual earns 30 times the state minimum wage; extending the unemployment compensation ten percent surtax through 1986; increasing from 15 to 26 the number of credit weeks an individual needs to qualify for unemployment compensation; capping the maximum benefit at \$198 until the unemployment compensation fund reaches \$100 million; requiring that an individual seek full-time work to be eligible for unemployment compensation; doing away with reimbursement for the eligibility waiting week; providing that all severance pay is offset against unemployment compensation; increasing from four to eight the number of weeks and weekly benefit amounts in earnings which are necessary to requalify for unemployment compensation; amending Minnesota Statutes 1983 Supplement, sections 268.04, subdivision 29; 268.061, subdivisions 1 and 3; 268.07, subdivision 2; 268.08, subdivisions 1 and 3; and 268.09, subdivisions 1 and 2.

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

Wenzel introduced:

H. F. No. 2192, A bill for an act relating to agriculture; milk quality standards; refining procedures and deadlines for investment reimbursement; amending Minnesota Statutes 1983 Supplement, section 32.417.

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

Heinitz introduced:

H. F. No. 2193, A bill for an act relating to financial institutions; credit unions; authorizing the board of directors to establish certain interest rates; amending Minnesota Statutes 1982, section 52.14, subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Wynia, Clawson, Tomlinson, Minne and Onnen introduced:

H. F. No. 2194, A bill for an act relating to taxation; making permanent the withholding of tax refunds of child support debtors; amending Laws 1982, chapter 523, article IV, section 2.

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

Segal and Tomlinson introduced:

H. F. No. 2195, A bill for an act relating to taxation; limiting the number of years which certain leased property is eligible for homestead benefits; amending Minnesota Statutes 1983 Supplement, section 273.13, subdivision 7d; repealing Minnesota Statutes 1983 Supplement, section 273.13, subdivision 7d.

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

Wenzel and Omann introduced:

H. F. No. 2196, A bill for an act relating to local government; providing for the conveyance of certain tax forfeited land in Morrison County.

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

Bishop, Frerichs, Gutknecht and Waltman introduced:

H. F. No. 2197, A bill for an act relating to Olmsted County; allowing contracts for solid waste management property, facilities, and services to be let without advertisement for bids.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Nelson, D.; Larsen; Riveness; Hoffman and Long introduced:

H. F. No. 2198, A bill for an act relating to crimes; providing a penalty for falsely reporting a medical emergency; imposing a penalty; amending Minnesota Statutes 1983 Supplement, section 609.78.

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

Brandl introduced:

H. F. No. 2199, A bill for an act relating to education; modifying various aids and levies; amending Minnesota Statutes 1982, sections 124.2121, subdivision 4; 124.2122, subdivision 3; Minnesota Statutes 1983 Supplement, sections 124.2122, subdivision 1; 275.125, subdivision 7d; repealing Minnesota Statutes 1983 Supplement, section 124A.06, subdivisions 2 and 3.

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

Minne introduced:

H. F. No. 2200, A bill for an act relating to taxation; modifying the taxation of certain railroad property; allowing the commissioner more discretion in valuing railroad property; providing for additional property taxes to be paid in certain cases; appropriating money to make certain property tax refunds for railroad property; amending Minnesota Statutes 1982, sections 270.80, subdivisions 3 and 4; 270.84, subdivision 1; 270.86; and 270.87; proposing new law coded in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1982, section 270.90.

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

Schoenfeld; Jensen, Shea; Anderson, B., and Rodosovich introduced:

H. F. No. 2201, A bill for an act relating to taxation; changing the computation of the school agricultural credit retroactive to taxes payable in 1984 in certain cases; removing the maximum targeting credit; increasing local government aid for townships; directing the department of revenue to issue guidelines on certain topics; appropriating money; amending Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 290A.04, subdivision 2e; and 477A.013, subdivision 1.

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

Graba, Tunheim, Bergstrom, Welle and Sparby introduced:

H. F. No. 2202, A bill for an act relating to taxation; changing the computation of the school agricultural credit retroactive to taxes payable in 1984 in certain cases; removing the maximum

targeting credit; increasing local government aid for townships; directing the department of revenue to issue guidelines on certain topics; appropriating money; amending Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 290A.04, subdivision 2e; and 477A.013, subdivision 1.

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

Peterson, Graba, Krueger and Sparby introduced:

H. F. No. 2203, A bill for an act relating to agriculture; allowing milk to be standardized; providing an effective date; amending Minnesota Statutes 1982, section 32.391, by adding subdivisions.

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

Sparby and Battaglia introduced:

H. F. No. 2204, A resolution memorializing the President and the Congress of the United States to repeal the Federal Reserve Act.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Swanson and Voss introduced:

H. F. No. 2205, A bill for an act relating to public safety; providing for use of a portion of the proceeds of the tobacco tax; amending Minnesota Statutes 1982, section 297.13, subdivision 1.

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

Hoffman introduced:

H. F. No. 2206, A bill for an act relating to public welfare; providing for special transportation services for the blind elderly; amending Minnesota Statutes 1982, section 174.31, subdivision 3.

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

Bishop introduced:

H. F. No. 2207, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; reenacting certain laws; amending Minnesota Statutes 1982, sections 14.40; 97.433, subdivision 3; 116C.73; 116D.06, subdivision 1; 123.78, subdivision 1; 156A.04; 161.16, subdivision 4; 169.45; 256C.02; 302A.115, subdivision 3; 327C.02, subdivision 3; 356.23; 356.25; 383A.09, subdivision 5; 412.022, subdivision 1; 501.78, subdivision 4; 524.3-1201; 609.346, subdivision 2; 609.487, subdivision 4; Minnesota Statutes 1983 Supplement, sections 3.9222, subdivision 6; 14.115, subdivisions 5 and 6; 16.872, subdivision 4; 38.04; 41.61, subdivision 1; 51A.51, subdivisions 2 and 3a; 53.03, subdivision 6; 53.04, subdivision 3a; 60A.17, subdivision 6c; 88.644; 102.26, subdivision 3c; 115.071, subdivision 2b; 116J.28, subdivision 3; 124.195, subdivision 10; 124.272, subdivision 3; 124A.14, subdivision 1; 144A.071, subdivision 5; 168.126, subdivision 1; 176.111, subdivision 18; 240.08, subdivision 2; 241.64, subdivisions 1 and 3; 256B.431, subdivisions 2 and 3; 260.185, subdivision 1; 268.04, subdivision 25; 272.02, subdivision 1; 273.118; 290.01, subdivision 19; 290.09, subdivision 5; 290.10; 290.17, subdivision 2; 290A.03, subdivision 3; 297A.01, subdivision 3; 297A.02, subdivision 3; 297A.25, subdivision 1; 325F.09; 393.07, subdivision 1; 420.13; 505.04; 507.235, subdivision 2; 508.421, subdivision 1; 514.221, subdivision 3; 515A.1-102; 518.17, subdivision 5; 543.20, subdivision 2; 558.215; 629.341, subdivision 1; Laws 1980, chapter 451, section 2; Laws 1983, chapters 128, section 36; 289, section 114, subdivision 1; reenacting Minnesota Statutes 1983 Supplement, sections 45.04, subdivision 1; 116J.28; 256.482, subdivision 2; repealing Minnesota Statutes 1982, sections 156A.031, subdivision 2; 377.06; and 480.059, subdivision 3; repealing Minnesota Statutes 1983 Supplement, section 116D.05; Laws 1982, chapter 501, section 20; Laws 1983, chapters 142, sections 5 and 8; 207, sections 6 and 42; 248, section 3; 253, section 22; 259, section 6; 260, sections 15, 47, and 56, subdivision 2; 277, section 2, subdivision 2; 289, section 16; 293, sections 66, 80, and 83; 301, section 66; 312, article 8, section 6.

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

Shaver introduced:

H. F. No. 2208, A bill for an act relating to elections; eliminating the party designated check-off system; amending Minnesota Statutes 1982, section 10A.25, subdivision 10; repealing Minnesota Statutes 1982, sections 10A.30; 10A.31, as amended; and

10A.32, subdivisions 1, 2, 3, 3a, and 4; and Minnesota Statutes 1983 Supplement, section 10A.335.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Shaver and Heap introduced:

H. F. No. 2209, A bill for an act relating to crimes; authorizing the commissioner of corrections to bring a civil action to collect felony fines; exempting indigent inmates from imprisonment for failure to pay felony fines; providing that revenue from felony fines shall be used to finance the operation of correctional institutions; appropriating money; proposing new law coded in Minnesota Statutes, chapter 574.

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

Clark, J., introduced:

H. F. No. 2210, A bill for an act relating to crimes; providing a penalty for theft of certain records; amending Minnesota Statutes 1983 Supplement, section 609.52, subdivision 3.

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

Graba and Anderson, B., introduced:

H. F. No. 2211, A bill for an act relating to education; providing for a three-year probationary period for teachers employed in independent school districts; amending Minnesota Statutes 1982, section 125.12, subdivision 3.

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

DenOuden, Vanasek, Jennings, Wenzel and Tomlinson introduced:

H. F. No. 2212, A bill for an act relating to taxation; property; changing computation of the school agricultural credit beginning with taxes payable in 1984; appropriating money; amending Minnesota Statutes 1983 Supplement, section 124.2137, subdivision 1.

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

Clark, K.; Brandl and Coleman introduced:

H. F. No. 2213, A bill for an act relating to job training; authorizing demonstration grants for training and habilitation services for persons with certain disabilities; appropriating money.

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

Vanasek and Dempsey introduced:

H. F. No. 2214, A bill for an act relating to civil actions; requiring agreements for loans of money, repayment of money, or extensions of credit to be in writing; amending Minnesota Statutes 1982, section 513.01.

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

Carlson, L., introduced:

H. F. No. 2215, A bill for an act relating to economic development; authorizing certain incorporators to establish two innovation center public corporations to assist in the development of the state's high technology businesses, products, and systems by providing certain services and assistance; establishing the purposes, powers, and duties of the corporation; providing for directors, articles, and by-laws; appropriating money; proposing new law coded as Minnesota Statutes, chapter 301B.

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

Rodriguez, C.; Carlson, L., and Nelson, K., introduced:

H. F. No. 2216, A bill for an act relating to education; lengthening membership on the higher education coordinating board to six-year terms; amending Minnesota Statutes 1982, section 136A.02, subdivision 1a.

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

Shaver introduced:

H. F. No. 2217, A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; providing for the allocation of the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01, as amended; 10A.13, by adding a subdivision; 10A.15, subdivision 1; 10A.19, subdivision 1; 10A.25; 10A.255; 10A.27; 10A.28; 10A.30; 10A.31, subdivisions 1, 3, 4, 5, 11, and by adding subdivisions; and 10A.32, subdivision 3, and by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 10A.275; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, sections 10A.31, subdivisions 3a, 6, 7, 8, 9, and 10; and 10A.32, subdivisions 3a and 4; and Minnesota Statutes 1983 Supplement, sections 10A.31, subdivision 2; 10A.32, subdivision 36; and 10A.335.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Shea; Anderson, G.; Schreiber; Long and Pauly introduced:

H. F. No. 2218, A bill for an act relating to public finance; authorizing additional investment alternatives; providing for the delivery of municipal obligations in certificated or uncertificated form; providing restrictions on the use of certain data; providing a formula for determining limitations on interest rates on municipal obligations; providing an alternative procedure for conducting a public sale of municipal obligations; amending Minnesota Statutes 1982, sections 471.56, by adding a subdivision; 475.55, subdivisions 1, 4, and by adding a subdivision;

475.60, subdivision 3, and by adding a subdivision; repealing Minnesota Statutes 1982, sections 475.71; and 475.76, subdivision 5.

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

Wynia, Vellenga and Cohen introduced:

H. F. No. 2219, A bill for an act relating to intoxicating liquor; authorizing on-sale wine licenses outside the boundaries of liquor patrol limits; amending Minnesota Statutes 1982, section 340.11, subdivision 20.

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

Fjoslien introduced:

H. F. No. 2220, A bill for an act relating to agriculture; providing for a full-time extension agent for Grant County; appropriating money.

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

Larsen introduced:

H. F. No. 2221, A bill for an act relating to unemployment compensation; regulating benefit eligibility for certain contractors; repealing Minnesota Statutes 1983 Supplement, section 268.08, subdivision 9.

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

Knuth and Munger introduced:

H. F. No. 2222, A bill for an act relating to water; providing for comprehensive local water management; requiring counties to develop and implement county water and land resources plans; authorizing the environmental quality board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the environmental quality board; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Metzen introduced:

H. F. No. 2223, A bill for an act relating to housing; tax exempt financing; changing the formula and competitive system for the allocation of qualified mortgage bonds; amending Minnesota Statutes 1982, section 462C.09, subdivision 2.

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

Anderson, G., introduced:

H. F. No. 2224, A bill for an act relating to public employment; eliminating the presumption of impasse after the passage of time; providing for changes in the required strike notice; granting certain powers to the director of the bureau of mediation services; amending Minnesota Statutes 1982, sections 179.64, subdivision 1; 179.69, subdivisions 1 and 3; 179.71, subdivision 5; repealing Minnesota Statutes 1982, sections 179.64, subdivision 1a; 179.691; and 179.692.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Wenzel introduced:

H. F. No. 2225, A bill for an act relating to elections; changing the date of the state primary; amending Minnesota Statutes 1982, sections 204B.27, subdivision 2; 204D.03, subdivision 1; Minnesota Statutes 1983 Supplement, sections 204B.21, subdivision 1; and 204B.33.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Norton introduced:

H. F. No. 2226, A bill for an act relating to the city of St. Paul; authorizing the city to issue on-sale intoxicating liquor licenses in excess of the statutory limit for use in city development districts.

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

Simoneau introduced:

H. F. No. 2227, A bill for an act relating to workers' compensation; providing for determination of disability in cases of occupational disability; amending Minnesota Statutes 1982, section 176.66, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Segal introduced:

H. F. No. 2228, A bill for an act relating to education; requiring elementary schools to offer programs promoting healthy behaviors and lifestyles; establishing a pilot health program for school personnel; proposing new law coded in Minnesota Statutes, chapter 126.

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

Valan and Sieben introduced:

H. F. No. 2229, A bill for an act relating to notaries public; authorizing appointment of out-of-state notaries; requiring designation of the clerk of district court of the county in which appointment is sought as agent for out-of-state notaries; amending Minnesota Statutes 1982, section 359.01.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rose introduced:

H. F. No. 2230, A bill for an act relating to the University of Minnesota; appropriating money for road improvements in the City of Falcon Heights.

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

Staten; Bishop; Clark, J., and Vanasek introduced:

H. F. No. 2231, A bill for an act relating to public welfare; authorizing the commissioner to enter into interstate adoption compacts; establishing procedures for interstate assistance pay-

ments; amending Minnesota Statutes 1983 Supplement, section 256B.06, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 259.

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

Vanasek, Onnen, Sviggum, Jacobs and Bergstrom introduced :

H. F. No. 2232, A bill for an act relating to taxation; providing that certain income tax deductions for contributions may be carried forward; amending Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2.

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

Solberg, Begich, Minne, Boo and Evans introduced :

H. F. No. 2233, A bill for an act relating to local government; establishing emergency property tax relief aid; appropriating money; amending Minnesota Statutes 1983 Supplement, section 275.51, subdivision 3i; proposing new law coded in Minnesota Statutes, chapter 477A.

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

Rodriguez, F.; Osthoff; Norton; Wynia and O'Connor introduced :

H. F. No. 2234, A bill for an act relating to the city of St. Paul; authorizing the issuance of a license for the sale of intoxicating liquor at the Ordway Music Theatre; requiring local approval.

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

Marsh, McKasy, Gutknecht, Findlay and Sherman introduced :

H. F. No. 2235, A bill for an act relating to retirement; authorizing recalculation of certain annuities and benefits.

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

Welle, Peterson, Blatz, Welch and Sviggum introduced:

H. F. No. 2236, A bill for an act relating to health; encouraging philanthropic support of nonprofit hospitals and nursing homes; providing that funds derived from specified types of gifts or grants shall not be deducted from the operating costs of a nursing home; amending Minnesota Statutes 1982, section 144.704, subdivision 2.

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

Piepho, Kalis, Quist, Wigley and Vanasek introduced:

H. F. No. 2237, A bill for an act relating to district public defenders; providing that district public defenders be appointed by a bid process; requiring the judges of each judicial district to submit the budget for the office of district public defender to the board of county commissioners for approval; amending Minnesota Statutes 1982, sections 611.26, subdivisions 2, 3, and 5; and 611.27; repealing Minnesota Statutes 1982, section 611.26, subdivision 8.

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

Elioff, Battaglia and Begich introduced:

H. F. No. 2238, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochiching County; appropriating money.

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

Uphus and Fjoslien introduced:

H. F. No. 2239, A bill for an act relating to state lands; conveying certain lands to the city of Melrose.

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

McKasy, Marsh, Valento and Rose introduced:

H. F. No. 2240, A bill for an act relating to taxation; sales; exempting sales by certain organizations; amending Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1.

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

Norton introduced:

H. F. No. 2241, A bill for an act relating to the operation of state government; changing the law on the administration of state finances and accounting practices; amending Minnesota Statutes 1982, sections 3.3005; 10.12; 10.14; 10.15; 11A.08, subdivision 3; 16.026, subdivisions 3 and 7; 16.80, subdivision 1; 16A.04, subdivisions 1 and 4; 16A.06; 16A.065; 16A.125, subdivision 6; 16A.13, subdivisions 1 and 2; 16A.131, subdivision 1; 16A.14, subdivision 2; 16A.28; 16A.45; 16A.53; 16A.63; 16A.64, as amended; 16A.65; 16A.66, as amended; 16A.671; 16A.675; 43A.30, by adding a subdivision; 158.07; 158.08; Minnesota Statutes 1983 Supplement, sections 16A.125, subdivision 5; 16A.15, subdivision 6; 16A.36; 16A.672; 298.296, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1982, sections 10.13; 16A.132; 16A.51; 16A.54; 16A.59; and 16A.73.

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

Vanasek introduced:

H. F. No. 2242, A bill for an act relating to courts; providing that public defenders in misdemeanors cases shall be appointed by the county board; amending Minnesota Statutes 1983 Supplement, section 611.14.

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

Otis introduced:

H. F. No. 2243, A bill for an act relating to energy; prohibiting public utilities from establishing large volume contract service rates; amending Minnesota Statutes 1982, section 216B.07.

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

Clawson introduced:

H. F. No. 2244, A bill for an act relating to public welfare; establishing procedures for the involuntary administration of antipsychotic medications; amending Minnesota Statutes 1983 Supplement, section 253B.03, subdivision 6; proposing new law coded in Minnesota Statutes, chapter 253B.

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

Clawson introduced:

H. F. No. 2245, A bill for an act relating to crimes; prohibiting the purchase or sale of human organs; amending Minnesota Statutes 1982, section 145.422, subdivision 3.

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

Segal, Brandl and Nelson, K., introduced:

H. F. No. 2246, A bill for an act relating to education; ensuring minimum amounts of financial support to the regional public library system; requiring county board of commissioners to appoint at least one representative to the regional public library system board; proposing new law coded in Minnesota Statutes, chapter 134.

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

Begich introduced:

H. F. No. 2247, A bill for an act relating to public health; exempting increases of less than five swing beds from certificate of need review; amending Minnesota Statutes 1982, section 145.833, subdivision 5.

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

Norton introduced:

H. F. No. 2248, A bill for an act relating to probate; providing for ante-mortem probate of wills; proposing new law coded in Minnesota Statutes, chapter 525.

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

Vanasek; Sieben; Nelson, D., and Price introduced:

H. F. No. 2249, A bill for an act relating to local government; restoring county government local government aid reductions; amending Minnesota Statutes 1983 Supplement, section 477A.012.

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

McKasy introduced:

H. F. No. 2250, A bill for an act relating to retirement; benefits of judges and survivors under the uniform retirement and survivors' annuities law; amending Minnesota Statutes 1982, section 490.129.

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

Cohen introduced:

H. F. No. 2251, A bill for an act authorizing the city of Saint Paul to issue on-sale intoxicating liquor licenses in excess of the statutory limit to the city's downtown business district; prohibiting transfers of intoxicating liquor licenses in the city of Saint Paul beginning on January 1, 1994; and prohibiting transfer of licenses issued pursuant to this act.

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

Nelson, K.; Skoglund; Boo and Forsythe introduced:

H. F. No. 2252, A bill for an act relating to public welfare; establishing a children's trust fund for the prevention of child

abuse and neglect; establishing an income tax checkoff to provide money for the fund; proposing new law coded in Minnesota Statutes, chapters 256 and 290.

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

Kalis, Wenzel, Krueger and Clawson introduced:

H. F. No. 2253, A bill for an act relating to taxation; changing the computation of the school agricultural credit retroactive to taxes payable in 1984 in certain cases; removing the maximum targeting credit; increasing local government aid for townships; directing the department of revenue to issue guidelines on certain topics; appropriating money; amending Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 290A.04, subdivision 2e; and 477A.013, subdivision 1.

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

Anderson, G.; Mann; Ogren and Peterson introduced:

H. F. No. 2254, A bill for an act relating to taxation; changing the computation of the school agricultural credit retroactive to taxes payable in 1984 in certain cases; removing the maximum targeting credit; increasing local government aid for townships; directing the department of revenue to issue guidelines on certain topics; appropriating money; amending Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 290A.04, subdivision 2e; and 477A.013, subdivision 1.

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

Bennett and Voss introduced:

H. F. No. 2255, A bill for an act relating to local government; permitting a land transfer between Ramsey County and the city of Shoreview.

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

Norton introduced:

H. F. No. 2256, A bill for an act relating to probate; clarifying requirements that the attorney general be notified of certain charitable bequests and devises; amending Minnesota Statutes 1982, sections 501.79, subdivision 5; 524.1-404; and 525.831.

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

Norton introduced:

H. F. No. 2257, A bill for an act relating to state departments and agencies; requiring senate approval for the governor's appointment of state planning director; amending Minnesota Statutes 1983 Supplement, section 116K.02, subdivision 2.

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

Kelly, Otis, Jacobs and Evans introduced:

H. F. No. 2258, A bill for an act relating to public utilities; amending the definition of public utility; amending Minnesota Statutes 1983 Supplement, section 216B.02, subdivision 4.

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

Anderson, G., introduced:

H. F. No. 2259, A bill for an act relating to taxation; motor vehicle excise; exempting certain vehicles engaged in interstate transportation; amending Minnesota Statutes 1983 Supplement, section 297B.03.

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

Begich and Battaglia introduced:

H. F. No. 2260, A bill for an act relating to taxation; revising contiguous boundary and population requirements for designation of enterprise zones; amending Minnesota Statutes 1983 Supplement, section 273.1312, subdivision 4.

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

Norton introduced:

H. F. No. 2261, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 7 and 8; and article XIII, section 11; eliminating the offices of state treasurer and secretary of state and transferring their duties to officers designated by statute.

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

Clawson introduced:

H. F. No. 2262, A bill for an act relating to retirement; guaranteeing public employees certain pension rights; amending Minnesota Statutes 1982, sections 3.85, by adding subdivisions; 3A.02, subdivision 3; 3A.03, subdivision 1; 3A.11, as amended; 11A.18, as amended; 275.51, by adding a subdivision; 352.01, subdivision 12; 352.04, subdivisions 1, 2, and 3; 352.119; 352.12, subdivision 1; 352.22, subdivision 2; 352.23; 352.27; 352.271; 352.75, subdivision 4; 352.92; 352B.11, subdivision 2; 352B.26; 352C.033; 352C.051, subdivision 3; 352C.09, subdivision 1; 352C.10; 352D.01; 352D.02, by adding a subdivision; 352D.05, subdivision 4; 352D.06; 353.01, subdivisions 2a, 14, 16, and by adding subdivisions; 353.025; 353.028; 353.06; 353.27, subdivision 2; 353.271; 353.35; 353.36, subdivision 2; 353.65, subdivisions 2 and 3; 354.05, subdivisions 7 and 26; 354.41, subdivision 9; 354.42, subdivision 5; 354.47, subdivision 1; 354.49, subdivisions 2 and 3; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.53, subdivision 1; 354.532, subdivision 3; 354.62, subdivision 5; 354.63, as amended; 354A.093; 354A.12, subdivision 2; 354A.37, subdivisions 3 and 4; 354A.38, subdivision 3; 356.20, subdivision 4; 356.215, subdivision 4; 356.41; 356.453; 422A.01, subdivision 13; 422A.06, subdivisions 3, 5, and 8; 422A.08, subdivision 5; 422A.09, subdivision 3; 422A.101, subdivisions 1, 1a, 2, 3, and by adding a subdivision; 422A.11, subdivision 2; 422A.16, subdivision 5; 422A.18, subdivision 2; 422A.221, subdivision 2; 423A.02; 490.106; 490.123, subdivision 3; 490.124, subdivision 6; Minnesota Statutes 1983 Supplement, sections 3A.03, subdivision 2; 69.77, subdivision 2; 352B.02, subdivision 1; 352B.11, subdivisions 1 and 4; 353.27, subdivision 12; 353.28, subdivision 5; 353.32, subdivision 1; 353.34, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 3A; 352; 352B; 352C; 353; 354; 356; 422A; and 490; repealing Minnesota Statutes 1982, sections 353.27, subdivision 3a; and 353.662.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Frerichs and Rodriguez, C., introduced:

H. A. No. 56, A proposal to study and design a program to encourage seatbelt usage.

The advisory was referred to the Committee on Transportation.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1127, 1139, 1331, 1433 and 1757.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1127, A bill for an act relating to Anoka County; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

The bill was read for the first time.

Simoneau moved that S. F. No. 1127 and H. F. No. 1153, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1139, A bill for an act relating to local government; requiring notice of and hearings on increases in certain license fees; proposing new law coded in Minnesota Statutes, chapter 471.

The bill was read for the first time.

Clawson moved that S. F. No. 1139 and H. F. No. 1180, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1331, A bill for an act relating to transportation; designating a bridge as the "Veterans Memorial Bridge"; amending Minnesota Statutes 1982, section 161.14, by adding a subdivision.

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

S. F. No. 1433, A bill for an act relating to natural resources; extension of state timber permits; amending Laws 1981, chapter 305, section 11, as amended; proposing new law coded in Minnesota Statutes, chapter 90.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1757, A bill for an act relating to water well contractors; licensing and regulating use of vertical heat exchangers; amending Minnesota Statutes 1982, section 156A.02, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 156A.

The bill was read for the first time.

Welch moved that S. F. No. 1757 and H. F. No. 1830, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1032, A bill for an act relating to Washington county; permitting the county to assess for highway improvements within cities.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Blatz	Clawson	Erickson	Gutknecht
Anderson, G.	Boo	Cohen	Evans	Haukoos
Anderson, R.	Brandl	Coleman	Findlay	Heap
Battaglia	Brinkman	Dempsey	Fjoslien	Heinitz
Beard	Burger	DenOuden	Forsythe	Himle
Begich	Carlson, D.	Dimler	Frerichs	Hoffman
Bennett	Carlson, L.	Eken	Greenfield	Hokr
Bergstrom	Clark, J.	Elioff	Gruenes	Jacobs
Bishop	Clark, K.	Ellingson	Gustafson	Jennings

Jensen	McEachern	Peterson	Scheid	Tomlinson
Johnson	McKasy	Piepho	Schoenfeld	Tunheim
Kalis	Metzen	Piper	Schreiber	Uphus
Kelly	Minne	Price	Seaberg	Valan
Knickerbocker	Munger	Quinn	Segal	Valento
Knuth	Murphy	Quist	Shea	Vellenga
Kostohryz	Nelson, D.	Redalen	Sherman	Waltman
Krueger	Neuenschwander	Reif	Simoneau	Welch
Kvam	Norton	Riveness	Skoglund	Welker
Larsen	O'Connor	Rodosovich	Solberg	Welle
Levi	Ogren	Rodriguez, C.	Sparby	Wenzel
Long	Olsen	Rodriguez, F.	Stadum	Wigley
Ludeman	Omann	Rose	Staten	Zaffke
Mann	Onnen	St. Onge	Sviggum	Speaker Sieben
Marsh	Osthoff	Sarna	Swanson	
McDonald	Pauly	Schafer	Thiede	

The bill was passed and its title agreed to.

H. F. No. 1509, A bill for an act relating to motor vehicles; prohibiting fees for the return of number plates; amending Minnesota Statutes 1982, section 168.15.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Osthoff	Simoneau
Anderson, G.	Erickson	Kostohryz	Pauly	Skoglund
Anderson, R.	Evans	Krueger	Peterson	Solberg
Battaglia	Findlay	Kvam	Piepho	Sparby
Beard	Fjoslien	Larsen	Piper	Stadum
Begich	Forsythe	Levi	Price	Staten
Bennett	Frerichs	Long	Quist	Sviggum
Bergstrom	Graba	Ludeman	Redalen	Swanson
Bishop	Greenfield	Mann	Reif	Thiede
Blatz	Gruenes	Marsh	Rice	Tomlinson
Brandl	Gustafson	McDonald	Riveness	Tunheim
Brinkman	Gutknecht	McEachern	Rodosovich	Uphus
Burger	Haukoos	McKasy	Rodriguez, C.	Valan
Carlson, D.	Heap	Metzen	Rodriguez, F.	Valento
Carlson, L.	Heinitz	Minne	Rose	Vellenga
Clark, J.	Himle	Munger	St. Onge	Waltman
Clark, K.	Hoffman	Murphy	Sarna	Welch
Clawson	Hokr	Nelson, D.	Schafer	Welker
Cohen	Jacobs	Neuenschwander	Scheid	Welle
Coleman	Jennings	Norton	Schoenfeld	Wenzel
Dempsey	Jensen	O'Connor	Schreiber	Wigley
DenOuden	Johnson	Ogren	Seaberg	Zaffke
Dimler	Kalis	Olsen	Segal	Speaker Sieben
Eken	Kelly	Omann	Shea	
Elioff	Knickerbocker	Onnen	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1532, A bill for an act relating to agriculture; designating milk as the official state drink; proposing new law coded in Minnesota Statutes, chapter 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knickerbocker	Onnen	Shea
Anderson, C.	Ellingson	Knuth	Osthoff	Sherman
Anderson, R.	Erickson	Kostohryz	Pauly	Simoncau
Battaglia	Evans	Krueger	Peterson	Skoglund
Beard	Findlay	Kvam	Piepho	Solberg
Begich	Fjoslien	Larsen	Piper	Sparby
Bennett	Forsythe	Levi	Price	Stadum
Bergstrom	Frerichs	Long	Quinn	Staten
Bishop	Graba	Ludeman	Quist	Sviggum
Blatz	Greenfield	Mann	Redalen	Swanson
Boo	Gruenes	Marsh	Reif	Thiede
Brandl	Gustafson	McDonald	Rice	Tomlinson
Brinkman	Gutknecht	McEachern	Riveness	Tunheim
Burger	Haukoos	McKasy	Rodosovich	Uphus
Carlson, D.	Heap	Metzen	Rodriguez, C.	Valan
Carlson, L.	Heinitz	Minne	Rodriguez, F.	Valento
Clark, J.	Himle	Munger	Rose	Vellenga
Clark, K.	Hoffman	Murphy	St. Onge	Waltman
Clawson	Hokr	Nelson, D.	Sarna	Welch
Cohen	Jacobs	Neuenschwander	Schafer	Welker
Coleman	Jennings	Norton	Scheid	Welle
Dempsey	Jensen	O'Connor	Schoenfeld	Wenzel
DenOuden	Johnson	Ogren	Schreiber	Wigley
Dimler	Kalis	Olsen	Seaberg	Zaffke
Eken	Kelly	Omann	Shaver	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 1620, A bill for an act relating to rehabilitation services for blind and visually handicapped persons; authorizing adoption of rules; amending Minnesota Statutes 1982, section 248.07, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Boo	Carlson, L.	Coleman
Anderson, C.	Bennett	Brandl	Clark, J.	Dempsey
Anderson, R.	Bergstrom	Brinkman	Clark, K.	DenOuden
Battaglia	Bergstrom	Burger	Clawson	Dimler
Beard	Blatz	Carlson, D.	Cohen	Eken

Elioff	Jensen	Murphy	Rodosovich	Sviggum
Ellingson	Johnson	Nelson, D.	Rodriguez, C.	Swanson
Erickson	Kalis	Neuenschwander	Rodriguez, F.	Thiede
Evans	Kelly	Norton	Rose	Tomlinson
Findlay	Knickerbocker	O'Connor	St. Onge	Tunheim
Fjoslien	Knuth	Ogren	Sarna	Uphus
Forsythe	Kostohryz	Olsen	Schafer	Valan
Frerichs	Krueger	Omann	Scheid	Valento
Graba	Kvam	Onnen	Schoenfeld	Vellenga
Greenfield	Larsen	Osthoff	Schreiber	Waltman
Gruenes	Levi	Pauly	Seaberg	Welch
Gustafson	Long	Peterson	Segal	Welker
Gutknecht	Ludeman	Piepho	Shaver	Welle
Haukoos	Mann	Piper	Shea	Wenzel
Heap	Marsh	Price	Sherman	Wigley
Heinitz	McDonald	Quinn	Simoneau	Zaffke
Himle	McEachern	Quist	Skoglund	Speaker Sieben
Hoffman	McKasy	Redalen	Solberg	
Hokr	Metzen	Reif	Sparby	
Jacobs	Minne	Rice	Stadum	
Jennings	Munger	Riveness	Staten	

The bill was passed and its title agreed to.

H. F. No. 1652, A bill for an act relating to no-fault insurance; requiring no-fault insurance coverage of certain benefits rather than medicare coverage; amending Minnesota Statutes 1982, section 65B.61, subdivision 1; repealing Minnesota Statutes 1982, section 65B.61, subdivision 2b.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dempsey	Hokr	Metzea	Rodosovich
Anderson, G.	DenOuden	Jacobs	Minne	Rodriguez, C.
Anderson, R.	Dimler	Jennings	Munger	Rodriguez, F.
Battaglia	Eken	Jensen	Murphy	Rose
Beard	Elioff	Johnson	Nelson, D.	St. Onge
Begich	Ellingson	Kalis	Neuenschwander	Sarna
Bennett	Erickson	Kelly	Norton	Schafer
Bergstrom	Evans	Knickerbocker	O'Connor	Scheid
Bishop	Findlay	Knuth	Ogren	Schoenfeld
Blatz	Fjoslien	Kostohryz	Olsen	Schreiber
Boo	Forsythe	Krueger	Omann	Seaberg
Brandl	Graba	Kvam	Onnen	Segal
Brinkman	Greenfield	Larsen	Osthoff	Shaver
Burger	Gruenes	Levi	Pauly	Shea
Carlson, D.	Gustafson	Long	Piepho	Sherman
Carlson, L.	Gutknecht	Ludeman	Piper	Simoneau
Clark, J.	Haukoos	Mann	Price	Skoglund
Clark, K.	Heap	Marsh	Quinn	Solberg
Clawson	Heinitz	McDonald	Quist	Sparby
Cohen	Himle	McEachern	Redalen	Stadum
Coleman	Hoffman	McKasy	Riveness	Staten

Sviggum	Tunheim	Vellenga	Welker	Wigley
Swanson	Uphus	Waltman	Welle	Zaffke
Thiede	Valan	Welch	Wenzel	Speaker Sieben
Tomlinson	Valento			

The bill was passed and its title agreed to.

H. F. No. 1670 was reported to the House.

There being no objection H. F. No. 1670 was continued one day.

H. F. No. 1843 was reported to the House.

Upon objection of ten members H. F. No. 1843 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 1916, A resolution memorializing the President, Congress, and the United States Department of Agriculture to take speedy action to insure that frozen pizzas are wholesome, nutritious, flavorful, truthfully labeled, and entirely healthful by approving proposed standards for real cheese content on frozen meat pizzas and affirming that all meat on frozen pizzas should be cooked.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Osthoff	Shaver
Anderson, G.	Findlay	Krueger	Pauly	Shea
Anderson, R.	Fjoslien	Kvam	Peterson	Sherman
Battaglia	Forsythe	Larsen	Piepho	Skoglund
Beard	Frerichs	Levi	Piper	Sparby
Bennett	Graba	Long	Price	Stadum
Bergstrom	Greenfield	Mann	Quinn	Staten
Bishop	Gruenes	Marsh	Quist	Sviggum
Blatz	Gustafson	McDonald	Redalen	Swanson
Brandl	Haukoos	McEachern	Reif	Thiede
Brinkman	Heap	Metzen	Riveness	Tomlinson
Burger	Heinitz	Minne	Rodosovich	Tunheim
Carlson, D.	Himle	Munger	Rodriguez, C.	Uphus
Carlson, L.	Hoffman	Murphy	Rodriguez, F.	Valan
Clark, J.	Hokr	Nelson, D.	Rose	Valento
Clark, K.	Jacobs	Nelson, K.	St. Onge	Waltman
Cohen	Jennings	Neuenschwander	Sarna	Welch
Coleman	Jensen	Norton	Schafer	Welle
Dimler	Johnson	O'Connor	Scheid	Wenzel
Eken	Kalis	Ogren	Schoenfeld	Wigley
Elioff	Kelly	Olsen	Schreiber	Zaffke
Ellingson	Knickerbocker	Omann	Seaberg	Speaker Sieben
Frickson	Knuth	Onnen	Segal	

Those who voted in the negative were:

Begich Boo Simoneau Solberg Welker

The bill was passed and its title agreed to.

H. F. No. 1944, A bill for an act relating to financial institutions; qualifying obligations of the African Development Bank for public and private investment; amending Minnesota Statutes 1982, sections 11A.24, subdivision 2; 50.14, by adding a subdivision; and 61A.28, subdivision 2; Minnesota Statutes 1983 Supplement, section 60A.11, subdivision 14.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Krueger	Peterson	Skoglund
Anderson, G.	Evans	Kvam	Piepho	Solberg
Anderson, R.	Findlay	Larsen	Piper	Sparby
Battaglia	Fjoslien	Levi	Price	Stadum
Beard	Forsythe	Long	Quinn	Staten
Begich	Frerichs	Ludeman	Quist	Sviggum
Bennett	Graba	Mann	Redalen	Swanson
Bergstrom	Greenfield	Marsh	Reif	Thiede
Bishop	Gruenes	McDonald	Rivencss	Tomlinson
Blatz	Gustafson	McEachern	Rodosovich	Tunheim
Boo	Gutknecht	McKasy	Rodriguez, C.	Uphus
Brandl	Haukoos	Metzen	Rodriguez, F.	Valan
Brinkman	Heap	Minne	Rose	Valento
Burger	Heimitz	Munger	St. Onge	Vellenga
Carlson, D.	Himle	Murphy	Sarna	Waltman
Carlson, L.	Hoffman	Nelson, D.	Schafer	Welch
Clark, J.	Hokr	Nelson, K.	Scheid	Welker
Clark, K.	Jacobs	Neuenschwander	Schoenfeld	Welle
Cohen	Jensen	Norton	Schreiber	Wenzel
Coleman	Johnson	Ogren	Seaberg	Wigley
Dempsey	Kalis	Olsen	Segal	Zaffke
DenOuden	Kelly	Omann	Shaver	Speaker Sieben
Dimler	Knickerbocker	Onnen	Shea	
Eken	Knuth	Osthoff	Sherman	
Elioff	Kostohryz	Pauly	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1999, A bill for an act relating to the city of Duluth; authorizing the establishment of an energy conservation program for dwellings as a part of its municipal utility system and the issuance of municipal revenue bonds for that purpose; amending Laws 1981, chapter 223, section 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Osthoff	Shea
Anderson, G.	Erickson	Krueger	Pauly	Sherman
Anderson, R.	Evans	Kvam	Peterson	Simoneau
Battaglia	Findlay	Larsen	Piepho	Skoglund
Beard	Fjoslien	Levi	Piper	Solberg
Begich	Forsythe	Long	Price	Sparby
Bennett	Graba	Mann	Quinn	Stadum
Bergstrom	Greenfield	McDonald	Quist	Staten
Bishop	Gruenes	McEachern	Redalen	Swanson
Blatz	Gustafson	McKasy	Reif	Tomlinson
Boo	Gutknecht	Metzen	Rivness	Tunheim
Brandl	Heap	Minne	Rodosovich	Uphus
Brinkman	Heinitz	Munger	Rodriguez, C.	Valan
Burger	Himle	Murphy	Rodriguez, F.	Vellenga
Carlson, D.	Hoffman	Nelson, D.	Rose	Waltman
Carlson, L.	Hokr	Nelson, K.	St. Onge	Welch
Clark, J.	Jacobs	Neuenschwander	Sarna	Welle
Clark, K.	Jensen	Norton	Scheid	Wenzel
Cohen	Johnson	O'Connor	Schoenfeld	Wigley
Coleman	Kalis	Ogren	Schreiber	Zaffke
Dempsey	Kelly	Olson	Seaberg	Speaker Sieben
Dunler	Knickerbocker	Omman	Segal	
Elioff	Knuth	Onnen	Shaver	

Those who voted in the negative were:

DenOuden	Haukoos	Schafer	Thiede	Welker
Frerichs	Ludeman			

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 432, A bill for an act relating to soil and water conservation; prohibiting in certain counties practices which cause accelerated erosion or sedimentation; prescribing penalties; proposing new law coded in Minnesota Statutes, chapter 40.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 84 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bishop	Clark, J.	Gruenes	Hokr
Battaglia	Blatz	Clark, K.	Gustafson	Jacobs
Beard	Boo	Cohen	Gutknecht	Jenson
Begich	Burger	Coleman	Heap	Johnson
Bennett	Carlson, D.	Elioff	Himle	Kelly
Bergstrom	Carlson, L.	Forsythe	Hoffman	Knickerbocker

Kostohryz	Nelson, D.	Piper	Scheid	Staten
Larsen	Nelson, K.	Price,	Schoenfeld	Swanson
Levi	Norton	Quinn	Schreiber	Tomlinson
Mann	O'Connor	Quist	Seaberg	Valan
Marsh	Olsen	Redalen	Segal	Vellenga
McEachern	Omann	Reif	Shaver	Waltman
McKasy	Onnen	Riveness	Shea	Welch
Metzen	Osthoff	Rodosovich	Sherman	Welle
Minne	Pauly	Rodriguez, C.	Simoneau	Wenzel
Munger	Peterson	Rose	Skoglund	Speaker Sieben
Murphy	Piepho	Sarna	Solberg	

Those who voted in the negative were:

Anderson, R.	Evans	Jennings	St. Onge	Valento
Brinkman	Findlay	Kalis	Schafer	Welker
Dempsey	Fjoslien	Krueger	Sparby	Wigley
DenOuden	Frerichs	Kvam	Stadum	Zaffke
Dinler	Graba	Ludeman	Sviggum	
Eken	Haukoos	McDonald	Tunheim	
Erickson	Heinitz	Ogren	Uphus	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Tomlinson requested immediate consideration of H. F. No. 1877.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Tomlinson moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1877 be given its third reading and be placed upon its final passage. The motion prevailed.

Tomlinson moved that the rules of the House be so far suspended that H. F. No. 1877 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1877 was reported to the House.

Norton was excused for the remainder of today's session.

H. F. No. 1877, A bill for an act relating to enterprise zones; expanding the definition of areas eligible for designation as zones; limiting the designation of border city enterprise zones; clarifying the tax incentives available in enterprise zones; amending Minnesota Statutes 1983 Supplement, sections 273.1312, subdivisions 4 and 5; 273.1313, subdivisions 1 and 2; 273.1314, subdivisions 1, 6, 8, 9, 10, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Knuth	Peterson	Simoneau
Anderson, G.	Elioff	Kostohryz	Piepho	Skoglund
Battaglia	Ellingson	Krueger	Piper	Solberg
Beard	Evans	Larsen	Price	Sparby
Begich	Findlay	Levi	Quinn	Stadum
Bennett	Forsythe	Long	Quist	Staten
Bergstrom	Greenfield	Mann	Redalen	Swanson
Bishop	Gruenes	Marsh	Reif	Thiede
Blatz	Gustafson	McEachern	Riveness	Tomlinson
Boo	Gutknecht	Minne	Rodosovich	Tunheim
Brandl	Heap	Munger	Rodriguez, C.	Valan
Brinkman	Heinitz	Murphy	Rodriguez, F.	Vellenga
Burger	Himle	Nelson, D.	Rose	Waltman
Carlson, L.	Hokr	Nelson, K.	St. Onge	Welch
Clark, J.	Jacobs	Neuenschwander	Sarna	Welle
Clark, K.	Jennings	O'Connor	Scheid	Wenzel
Clawson	Jensen	Ogren	Schreiber	Wigley
Cohen	Johnson	Olsen	Seaberg	Speaker Sieben
Coleman	Kalis	Onnen	Segal	
Dempsey	Kelly	Osthoff	Shaver	
Dimler	Knickerbocker	Pauly	Shea	

Those who voted in the negative were:

DenOuden	Frerichs	Omann	Uphus	Welker
Erickson	Ludeman	Schafer	Valento	Zaffke
Fjoslien	McDonald			

The bill was passed and its title agreed to.

Blatz was excused at 4:30 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Sieben in the Chair for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 950, 1503 and 1459 which it recommended to pass.

S. F. No. 1476 which it recommended to pass.

H. F. Nos. 735, 1557 and 1562 which it recommended progress.

S. F. No. 1350 which it recommended progress.

H. F. No. 1528 which it recommended to pass with the following amendments:

Offered by Tomlinson:

Page 57, line 13, after the period insert "*An individual who is not a Minnesota resident for any part of the year does not need to file a Minnesota income tax return if the individual's Minnesota gross income computed under section 290.06, subdivision 2c, clause (c)(1) is less than the filing requirements for an individual who is a full year resident of Minnesota with the same marital status and number of personal credits.*"

Offered by Schreiber:

Page 49, line 9, reinstate the stricken language

Page 65, line 33, after "state" insert "*for purposes of auditing corporate sales, excise, and income tax returns*"

Page 67, line 7, delete "*employees*" and insert "*employee*"

H. F. No. 1347 which it recommended to pass with the following amendment offered by Bishop and Dempsey:

Page 2, line 1, after the comma insert: "*and where the parent or step parent concealing the child has failed to notify the other parent, step parent, custodian or the local welfare agency of the child's location within 24 hours of the initial act of concealment,*"

Page 2, line 20, after the semicolon insert "*or*"

Page 2, line 27, delete "*;* *or*" insert a period

Page 2, delete lines 28 to 32

Page 3, delete lines 7 to 12

Renumber the remaining subdivisions and correct the internal cross references.

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Schreiber moved to amend H. F. No. 1528, the first engrossment, as amended, as follows:

Page 20, line 25, delete "*or trust*" and insert "*, trust, or an individual who is not a resident of Minnesota at any time during the year,*"

Page 20, line 29, reinstate the stricken "taxpayer's"

Page 20, line 30, delete the new language and reinstate the stricken language

Page 24, line 27, delete "*or trust*" and insert "*, trust, or an individual who is not a resident of Minnesota at any time during the year,*"

Page 30, line 20, delete "*not*" and after "*for*" insert "*a part of*"

Page 30, line 21, delete "*entire*"

Page 34, lines 30 to 34, reinstate the stricken language

Page 41, line 21, to page 43, line 5, delete section 18

Page 50, line 28, after "*individuals*" insert "*who*" and reinstate the stricken "*are*"

Page 50, line 29, reinstate the stricken language and after "*Minnesota*" insert "*for all or part of the year*"

Page 51, line 19, delete "*not a full*" and insert "*a part*"

Page 55, line 24, after "*individuals*" insert "*who are residents of Minnesota for all or part of the year*"

Page 55, lines 28 to 30, reinstate the stricken language and delete the new language

Page 56, line 17, to page 57, line 7, delete section 27

Page 64, delete lines 18 and 19 and insert "*Minnesota Statutes 1982, section 290.011 is repealed.*"

Page 64, line 21, delete "*36*" and insert "*34*"

Page 64, line 22, delete "19, 21 to 32, 35, and 37" and insert "18, 20 to 30, 33, and 35"

Page 64, line 24, delete "20" and insert "19"

Page 64, line 30, delete "33 and 34" and insert "31 and 32"

Renumber the remaining sections accordingly

Amend the title as follows:

Page 1, line 13, delete "290.311, subdivision 1;"

Page 1, line 23, delete "subdivisions 2 and" and insert "sub-division"

Page 1, delete line 35 and insert "1982, section 290.011;"

The question was taken on the Schreiber amendment and the roll was called. There were 58 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Jennings	Pauly	Thiede
Bennett	Findlay	Johnson	Piepho	Uphus
Bishop	Fjoslien	Knickerbocker	Quist	Valan
Blatz	Forsythe	Kvam	Redalen	Valento
Boo	Frerichs	Levi	Reif	Vellenga
Burger	Gruenes	Ludeman	Rodriguez, C.	Waltman
Carlson, D.	Gutknecht	Marsh	Rose	Welker
Cohen	Haukoos	McDonald	Schafer	Wenzel
Dempsey	Heap	McKasy	Schreiber	Wigley
DenOuden	Heinitz	Olsen	Seaberg	Zaffke
Dimler	Himle	Omann	Shaver	
Erickson	Hokr	Onnen	Svigum	

Those who voted in the negative were:

Anderson, B.	Coleman	Knuth	Osthoff	Segal
Anderson, G.	Eken	Kostohryz	Peterson	Simoneau
Battaglia	Elioff	Krueger	Piper	Skoglund
Bead	Ellingson	Larsen	Price	Solberg
Begich	Graba	Mann	Quinn	Sparby
Bergstrom	Greenfield	McEachern	Riveness	Staten
Brandl	Gustafson	Metzen	Rodosovich	Tomlinson
Brinkman	Hoffman	Minne	Rodriguez, F.	Tunheim
Carlson, L.	Jacobs	Murphy	St. Onge	Welch
Clark, J.	Jensen	Nelson, D.	Sarna	Welle
Clark, K.	Kalis	O'Connor	Scheid	Wynia
Clawson	Kelly	Ogren	Schoenfeld	Speaker Sieben

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

Kvam moved to amend H. F. No. 1528, the first engrossment, as amended, as follows:

Page 65, line 13, delete "\$5,000" and reinstate "\$500"

The question was taken on the Kvam amendment and the roll was called. There were 55 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Hokr	Omann	Shaver
Bennett	Fjoslien	Jennings	Onnen	Sherman
Bishop	Forsythe	Johnson	Pauly	Sviggum
Blatz	Frerichs	Knickerbocker	Piepho	Thiede
Burger	Graba	Kvam	Quist	Uphus
Carlson, D.	Gruenes	Levi	Redalen	Valan
Dempsey	Cutknecht	Ludeman	Reif	Valento
DenOuden	Haukoos	Marsh	Rodriguez, C.	Waltman
Dimler	Heap	McDonald	Schafer	Welker
Erickson	Heinitz	McKasy	Schreiber	Wigley
Evans	Himle	Olsen	Seaberg	Zaffke

Those who voted in the negative were:

Anderson, G.	Elioff	Mann	Quinn	Staten
Battaglia	Ellingson	McEachern	Riveness	Swanson
Beard	Greenfield	Metzen	Rodosovich	Tomlinson
Begich	Gustafson	Minne	Rodriguez, F.	Tunheim
Bergstrom	Hoffman	Munger	St. Onge	Vellenga
Boo	Jacobs	Murphy	Sarna	Welch
Brandl	Jensen	Nelson, D.	Scheid	Welle
Brinkman	Kalis	Neuenschwander	Schoenfeld	Wenzel
Carlson, L.	Kelly	O'Connor	Segal	Wynia
Clark, J.	Knuth	Ogren	Shea	Speaker Sieben
Clark, K.	Kostohryz	Osthoff	Simoneau	
Clawson	Krueger	Peterson	Skoglund	
Coleman	Larsen	Piper	Solberg	
Eken	Long	Price	Sparby	

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

Heap moved to amend H. F. No. 1528, the first engrossment, as amended, as follows:

Page 30, delete lines 20 to 29

The question was taken on the Heap amendment and the roll was called. There were 47 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Kvam	Redalen	Uphus
Bennett	Frerichs	Levi	Reif	Valan
Boo	Graba	Ludeman	Rose	Valento
Burger	Gutknecht	McKasy	Schafer	Waltman
Cohen	Haukoos	Olsen	Schreiber	Welker
Dempsey	Heap	Omann	Seaberg	Wigley
Dimler	Heinitz	Onnen	Sherman	Zaffke
Erickson	Himle	Pauly	Stadum	
Evans	Hokr	Piepho	Sviggum	
Fjoslien	Johnson	Quist	Thiede	

Those who voted in the negative were:

Anderson, B.	Elioff	Long	Piper	Sparby
Anderson, G.	Ellingson	Mann	Price	Staten
Battaglia	Greenfield	McEachern	Quinn	Swanson
Beard	Gustafson	Metzen	Riveness	Tomlinson
Begich	Hoffman	Minne	Rodosovich	Vellenga
Brandl	Jacobs	Munger	Rodriguez, F.	Welch
Brinkman	Jensen	Murphy	St. Onge	Welle
Carlson, L.	Kalis	Nelson, D.	Sarna	Wenzel
Clark, J.	Kelly	Nelson, K.	Scheid	Speaker Sieben
Clark, K.	Knuth	O'Connor	Shea	
Clawson	Kostohryz	Ogren	Simoneau	
Coleman	Krueger	Osthoff	Skoglund	
Eken	Larsen	Peterson	Solberg	

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

Thiede moved to amend H. F. No. 1528, the first engrossment, as amended, as follows:

Page 30, line 20, delete "for the"

Page 30, line 21, delete "entire year" and insert "but has earned income in Minnesota"

The question was taken on the Thiede amendment and the roll was called. There were 45 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Johnson	Olsen	Stadum
Bishop	Frerichs	Knickerbocker	Omann	Sviggum
Boo	Graba	Krueger	Omann	Thiede
Burger	Gutknecht	Kvam	Quist	Uphus
DenOuden	Haukoos	Levi	Reif	Valan
Erickson	Heap	Ludeman	Schafer	Valento
Evans	Heinitz	Marsh	Seaberg	Waltman
Findlay	Hokr	McDonald	Shaver	Walker
Fjoslien	Jennings	McKasy	Sherman	Wenzel

Those who voted in the negative were:

Anderson, G.	Cohen	Long	Peterson	Skoglund
Anderson, R.	Coleman	Mann	Piper	Solberg
Battaglia	Elioff	McEachern	Price	Sparby
Beard	Greenfield	Metzen	Quinn	Staten
Begich	Gustafson	Minne	Rodosovich	Swanson
Bergstrom	Hoffman	Munger	Rodriguez, C.	Tomlinson
Brandl	Jacobs	Murphy	Rodriguez, F.	Tunheim
Brinkman	Jensen	Nelson, D.	St. Onge	Vellenga
Carlson, L.	Kalis	Nelson, K.	Sarna	Welch
Clark, J.	Kelly	O'Connor	Scheid	Welle
Clark, K.	Kostohryz	Ogren	Schoenfeld	Wynia
Clawson	Larsen	Osthoff	Simoneau	Speaker Sieben

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

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Kostohyrz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1686, A bill for an act relating to dogs; authorizing persons to destroy certain dogs; declaring certain dogs to be public nuisances; changing certain procedures relating to dogs; requiring certain vaccinations; protecting guide dogs; imposing penalties; amending Minnesota Statutes 1982, sections 347.03; 347.04; 347.06; 347.11, subdivision 1; 347.14, subdivision 1; and 347.17; proposing new law coded in Minnesota Statutes, chapters 347 and 609; repealing Minnesota Statutes 1982, sections 347.05 and 347.07.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [347.24] [LEADER DOGS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, a “leader dog” means a dog specifically trained for the purpose of leading, guiding, or aiding the blind, visually handicapped, or hearing impaired.

Subd. 2. [PROHIBITIONS.] Leader dogs are permitted to go anywhere their owners deem necessary. No one may: (a) restrict a leader dog from aiding or traveling with its blind, visually handicapped, or hearing impaired partner; (b) willfully distract or attempt to distract a leader dog; (c) tease, chase, or harass a leader dog; (d) injure or attempt to injure or harm a leader dog; (e) willfully and maliciously maim, kill, or destroy a leader dog; or (f) willfully interfere with a leader dog in such a manner as to interfere with the performance of its duty or place its owner's life in danger.

Subd. 3. [LIABILITY; ACTIONS.] No action may be maintained against a leader dog which bites in the defense of its owner. The owner of a leader dog which has bitten a person is liable for damages prescribed by section 347.22. No leader dog may be separated from its owner for impound purposes, if the separation would cause undue hardship to the owner. No action may be maintained against any person for destroying a leader dog with distemper, rabies, or other diseases that pose a threat to the public health, safety, or welfare.

Subd. 4. [PENALTIES.] A person who violates subdivision 2, clause (e), is guilty of a gross misdemeanor. Other violations of this section are a misdemeanor."

Delete the title and insert:

"A bill for an act relating to dogs; protecting leader dogs; imposing penalties; proposing new law coded in Minnesota Statutes 1982, chapter 347."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Riveness, Simoneau, Norton, Gutknecht and Sieben introduced:

H. F. No. 2263, A bill for an act relating to unemployment compensation; providing for an alternative method of determining credit weeks; raising the maximum contribution rate to eight percent except under certain circumstances; removing the contribution rate increase and decrease limitation; increasing an employer's experience ratio under certain circumstances; extending the emergency surcharge to repay interest on federal loans; tying the maximum weekly benefit amount to the balance in the unemployment compensation fund under certain circumstances; removing the limitation on the application of severance pay as it affects eligibility for benefits; changing certain conditions for requalifying for benefits; eliminating the split taxable wage base; amending Minnesota Statutes 1982, sections 268.04, subdivisions 24 and 30, and by adding a subdivision; 268.06, subdivision 8; 268.07, subdivision 2a; 268.071, subdivision 1; and 268.10, subdivision 1; Minnesota Statutes 1983 Supplement, sections 268.06, subdivision 3a; 268.061, subdivisions 1 and 3; 268.07, subdivision 2; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; and 268.10, subdivision 2; repealing Minnesota Statutes 1983 Supplement, section 268.06, subdivision 2.

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

Norton introduced:

H. F. No. 2264, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution,

article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the office of the secretary of state becomes the office of the state comptroller.

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

PENDING POINT OF ORDER

The pending point of order relating to H. F. No. 2063 and raised by Skoglund earlier today pursuant to rule 5.8 was reported to the House. The Speaker ruled the Skoglund point of order not well taken.

H. F. No. 2063 was read for the second time.

MOTIONS AND RESOLUTIONS

Rice moved that H. F. No. 33 be recalled from the Committee on Appropriations and be re-referred to the Committee on Taxes. The motion prevailed.

Carlson, L., moved that H. F. No. 1764 be recalled from the Committee on Appropriations and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Sherman moved that his name be stricken as an author on H. F. No. 2. The motion prevailed.

Jennings moved that his name be stricken as an author on H. F. Nos. 10 and 17. The motion prevailed.

Piepho moved that his name be stricken as an author on H. F. No. 62. The motion prevailed.

Piepho moved that the name of Gustafson be added as an author on H. F. No. 322. The motion prevailed.

Jacobs moved that the name of Findlay be added as an author on H. F. No. 650. The motion prevailed.

Neuenschwander moved that his name be stricken as an author on H. F. No. 726. The motion prevailed.

Otis moved that the name of Price be added as an author on H. F. No. 1775. The motion prevailed.

Bergstrom moved that the names of Osthoff and McKasy be added as authors on H. F. No. 754. The motion prevailed.

Rodosovich moved that the name of Rodosovich be stricken and the name of Norton be added as chief author on H. F. No. 756. The motion prevailed.

Kelly moved that the names of Bishop and Piepho be added as authors on H. F. No. 1206. The motion prevailed.

Clark, J., moved that the name of Bishop be added as chief author on H. F. Nos. 1284 and 1285. The motion prevailed.

Brinkman moved that the name of Valan be added as an author on H. F. No. 1288. The motion prevailed.

Otis moved that the name of O'Connor be added as an author on H. F. No. 1499. The motion prevailed.

Clark, K., moved that the name of Coleman be added as an author on H. F. No. 1502. The motion prevailed.

Wenzel moved that the names of Vanasek, Gustafson, Staten and Bishop be added as authors on H. F. No. 1523. The motion prevailed.

Krueger moved that the name of Wenzel be added as an author on H. F. No. 1532. The motion prevailed.

Skoglund moved that the name of Shea be added as an author on H. F. No. 1545. The motion prevailed.

Shea moved that the name of Blatz be added as an author on H. F. No. 1606. The motion prevailed.

Minne moved that the name of Metzen be added as an author on H. F. No. 1618. The motion prevailed.

Anderson, R., moved that the name of Quinn be added as an author on H. F. No. 1619. The motion prevailed.

Solberg moved that the name of Bennett be added as an author on H. F. No. 1656. The motion prevailed.

Valento moved that the name of Ludeman be stricken and the name of McKasy be added as an author on H. F. No. 1710. The motion prevailed.

Clark, J., moved that the name of Coleman be added as an author on H. F. No. 1772. The motion prevailed.

Fjoslien moved that his name be stricken as an author on H. F. No. 1775. The motion prevailed.

Ogren moved that the names of Solberg and Neuenschwander be added as authors on H. F. No. 1834. The motion prevailed.

Schafer moved that the name of Findlay be added as an author on H. F. No. 1870. The motion prevailed.

Fjoslien moved that the name of Findlay be added as an author on H. F. No. 1955. The motion prevailed.

Kelly moved that the name of Bishop be added as chief author and the name of Kelly be shown as second author on H. F. No. 2002. The motion prevailed.

Dimler moved that the name of Tomlinson be added as an author on H. F. No. 2007. The motion prevailed.

Tomlinson moved that the names of Jennings, Sieben, Kelly and Osthoff be added as authors on H. F. No. 2016. The motion prevailed.

Wynia moved that the names of Greenfield and Munger be added as authors on H. F. No. 2021. The motion prevailed.

McKasy moved that the name of DenOuden be added as an author on H. F. No. 2026. The motion prevailed.

Staten moved that the name of Piper be added as an author on H. F. No. 2037. The motion prevailed.

Ogren moved that the name of Piepho be added as an author on H. F. No. 2042. The motion prevailed.

Greenfield moved that the name of Piper be added as an author on H. F. No. 2054. The motion prevailed.

Otis moved that the name of Piper be added as an author on H. F. No. 2078. The motion prevailed.

Riveness moved that the name of Vanasek be stricken as an author on H. F. No. 2084. The motion prevailed.

Swanson moved that the name of Kelly be added as an author on H. F. No. 2087. The motion prevailed.

Osthoff moved that the names of Levi, Knickerbocker and Greenfield be stricken as authors on H. F. No. 2089. The motion prevailed.

Clark, J., moved that the names of Coleman and Piper be added as authors on H. F. No. 2097. The motion prevailed.

Clawson moved that the names of Onnen and Kvam be added as authors on H. F. No. 2098. The motion prevailed.

Graba moved that the name of Krueger be added as an author on H. F. No. 2153. The motion prevailed.

Heap moved that the names of Levi and Olsen be added as authors on H. F. No. 2181. The motion prevailed.

Valan moved that the name of Olsen be added as an author on H. F. No. 2183. The motion prevailed.

Krueger moved that the name of Graba be added as an author on H. F. No. 2184. The motion prevailed.

Scheid moved that the name of Knickerbocker be added as an author on H. F. No. 2186. The motion prevailed.

Eken moved that the name of Evans be added as an author on H. F. No. 2188. The motion prevailed.

Wenzel moved that the names of Ogren, Erickson, Graba and McDonald be added as authors on H. F. No. 2192. The motion prevailed.

Sparby moved that the name of McDonald be added as an author on H. F. No. 2204. The motion prevailed.

Nelson, K., moved that the name of Levi be added as an author on H. F. No. 2252. The motion prevailed.

Clawson moved that the name of Staten be added as an author on H. F. No. 2245. The motion prevailed.

Riveness moved that the name of Clawson be added as chief author and the name of Price be stricken as an author on H. F. No. 1704. The motion prevailed.

Valan moved that H. F. No. 1372 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2114 be returned to its author. The motion prevailed.

Segal moved that H. F. No. 2228 be returned to its author. The motion prevailed.

Wenzel introduced :

House Resolution No. 23, A house resolution congratulating the Flyers girls basketball team from Little Falls High School for winning the 1984 Class AA Girls State High School Basketball Championship.

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

O'Connor introduced :

House Resolution No. 24, A house resolution condemning the Adolph Coors Brewery for its negative policies and practices.

The resolution was referred to the Committee on Regulated Industries.

Vanasek introduced :

House Resolution No. 25, A house resolution congratulating the Wildcats football team from LeCenter High School for winning the 1982 Class B State High School Football Championship.

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

Vanasek introduced :

House Resolution No. 26, A house resolution congratulating the girls gymnastics team from New Prague High School for winning the 1984 Class AA Girls State High School Gymnastics Championship.

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

Reif and Levi introduced :

House Resolution No. 27, A house resolution congratulating the Bears from White Bear Area Senior High School for winning the 1984 Class AA Boys State High School Basketball Championship.

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

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 2, 1984. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 2, 1984.

EDWARD A. BURDICK, Chief Clerk, House of Representatives