

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1984

EIGHTIETH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 17, 1984

The House of Representatives convened at 11:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Leslie G. Svendsen, St. Philips Lutheran Church, Fridley, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Hoberg and Stadum were excused.

Levi was excused until 11:40 a.m. Shaver was excused until 12:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. DenOuden moved that further reading of the Journal be dispensed with and that the Journal 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. 2006, 1707, 966, 1678, 1689, 2004, 2113, 1264, 1501, 1708, 2068, 288, 471, 688, 1667, 1750, 1966 and 1577 and S. F. Nos. 992, 1548, 1575, 1864, 1023, 1862, 1883, 1914, 1976, 2009, 396, 1403, 1732, 2102, 595, 1336, 1498, 2030, 1977, 2043, 1622, 1807, 924, 1442, 2109 and 1349 have been placed in the members' files.

S. F. No. 2030 and H. F. No. 2135, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2030 be substituted for H. F. No. 2135 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1914 and H. F. No. 1945, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 1914 be substituted for H. F. No. 1945 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1575 and H. F. No. 2039, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 1575 be substituted for H. F. No. 2039 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1403 and H. F. No. 1909, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 1403 be substituted for H. F. No. 1909 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2102 and H. F. No. 2183, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Valan moved that the rules be so far suspended that S. F. No. 2102 be substituted for H. F. No. 2183 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1883 and H. F. No. 2067, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1883 be substituted for H. F. No. 2067 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2109 and H. F. 2189, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Tunheim moved that the rules be so far suspended that S. F. No. 2109 be substituted for H. F. No. 2189 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1732 and H. F. No. 1923, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Quinn moved that the rules be so far suspended that S. F. No. 1732 be substituted for H. F. No. 1923 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1336 and H. F. No. 1400, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Vellenga moved that the rules be so far suspended that S. F. No. 1336 be substituted for H. F. No. 1400 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1864 and H. F. No. 2130, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Knuth moved that the rules be so far suspended that S. F. No. 1864 be substituted for H. F. No. 2130 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2043 and H. F. No. 2157, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Welch moved that the rules be so far suspended that S. F. No. 2043 be substituted for H. F. No. 2157 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1498 and H. F. No. 1851, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Anderson, G., moved that the rules be so far suspended that S. F. No. 1498 be substituted for H. F. No. 1851 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1807 and H. F. No. 1843, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rodosovich moved that the rules be so far suspended that S. F. No. 1807 be substituted for H. F. No. 1843 and that House File be indefinitely postponed. The motion prevailed.

S. F. No. 1862 and H. F. No. 1896, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Vanasek moved that the rules be so far suspended that S. F. No. 1862 be substituted for H. F. No. 1896 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 595 and H. F. No. 702, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that S. F. No. 595 be substituted for H. F. No. 702 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 924 and H. F. No. 1230, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Cohen moved that the rules be so far suspended that S. F. No. 924 be substituted for H. F. No. 1230 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 992 and H. F. No. 1213, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Norton moved that the rules be so far suspended that S. F. No. 992 be substituted for H. F. No. 1213 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1442 and H. F. No. 1547, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 1442 be substituted for H. F. No. 1547 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1977 and H. F. No. 2085, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Eken moved that S. F. No. 1977 be substituted for H. F. No. 2085 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 467, A bill for an act relating to retirement; public funds generally; adopting a rule of 85; public employees retirement association; reinstating age and years of service requirements; amending Minnesota Statutes 1982, section 353.30, subdivision 1a; proposing new law coded in Minnesota Statutes, chapter 356.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [356.175] [GUARANTEE OF BENEFITS.]

Subdivision 1. [BENEFITS FOR RETIRED PUBLIC EMPLOYEES.] A person who was a member of any public pension plan, as defined in section 356.61, and who retired after meeting the age and service requirements of the plan in effect at the time of retirement, shall have a nonforfeitable right to the retirement benefit calculated as of the date of retirement, subject to any offsets required under federal or state law.

Subd. 2. [BENEFITS FOR VESTED MEMBERS.] Any person who is a member of any public pension plan, as defined in section 356.61, who has accrued the required years of service for vesting shall have a nonforfeitable right to a normal retirement benefit or to an equivalent optional annuity as provided by the plan, subject to any offsets required under federal or state law, upon the attainment of the normal retirement age.

Subd. 3. [ACCRUAL OF SERVICE AND VESTING CREDIT.] Any person who is a member of any public pension plan, as defined in section 356.61, shall have a nonforfeitable right to service credit and vesting credit accrued to date. Any legislation enacted which reduces the accrual rates for either service credit or vesting credit shall affect credit accrued after the effective date of that legislation. Any legislation enacted which would increase the vesting requirements of any public pension plan shall be optional for any plan member who has not yet vested.

Sec. 2. Minnesota Statutes 1982, section 3.85, is amended by adding a subdivision to read:

Subd. 11. [RULES FOR PENSION VALUATIONS AND COST ESTIMATES.] The commission shall by June 30, 1985, adopt rules prescribing specific detailed methods of calculating,

evaluating, and displaying current and proposed law liabilities, costs, and actuarial equivalents of all public employee pension plans in Minnesota. These rules shall be consistent with the general direction prescribed in chapter 356.

There is appropriated from the general fund to the commission not to exceed \$75,000 in fiscal year 1985, and \$25,000 in each fiscal year thereafter for developing, implementing, and annually updating the rules adopted pursuant to this section.

Sec. 3. Minnesota Statutes 1982, section 3.85, is amended by adding a subdivision to read:

Subd. 12. [LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT TO PREPARE VALUATIONS AND MAKE REPORTS TO LEGISLATURE.] (a) The legislative commission on pensions and retirement shall annually contract with an established actuarial consulting firm to conduct valuations and finance adequacy studies for the funds specified in (b). The contract shall also include provisions for performing cost analyses of proposals for changes in benefit and funding policies.

(b) The plans which the legislative commission on pension and retirement shall include in the contract for valuation and analysis are:

- (1) the Statewide Teachers Retirement Association;*
- (2) the General Plan, Minnesota State Retirement System;*
- (3) the Correctional Plan, Minnesota State Retirement System;*
- (4) the State Patrol Plan, Minnesota State Retirement System;*
- (5) the Judges Plan, Minnesota State Retirement System;*
- (6) the Minneapolis Employees Retirement Fund;*
- (7) the General Plan, Public Employees Retirement Association;*
- (8) the Police and Fire Plan, Public Employees Retirement Association;*
- (9) the Duluth Teachers Retirement Association;*
- (10) the Minneapolis Teachers Retirement Association;*

- (11) the St. Paul Teachers Retirement Association; and
- (12) the Legislator's Retirement Plan.

(c) The annual contracts shall include the following objectives:

(1) Every year beginning in fiscal year 1986, the contract shall specify completion of standard valuations for the period ending June 30 of the preceding fiscal year with contents as described in section 356.215, subdivision 4; and cash flow forecasts through the amortization target date.

(2) Every four years, beginning in fiscal year 1986, the contract shall specify completion of an experience study for the four-year period ending June 30 of the preceding fiscal year. The experience study shall evaluate the appropriateness of continuing to use for future valuations the assumptions relating to: individual salary progression; rate of return on investments; payroll growth; mortality; withdrawal; disability; retirement; and any other experience-related factor that could impact the future financial condition of the retirement funds.

(d) The commission shall annually prepare a report to the legislature summarizing the results of the valuations and cash flow projections and shall include with its report recommendations concerning the appropriateness of the support rates to achieve proper funding of the retirement funds by the required funding dates. It shall also, within two months of the completion of the quadrennial experience studies, prepare a report to the legislature on the appropriateness of the valuation assumptions listed in paragraph (c), clause (2).

(e) Beginning with the fiscal year commencing July 1, 1985, there is annually appropriated to the commission \$400,000 for the purchase of actuarial consulting services to prepare annual valuations, cash flow forecasts, and cost analyses of benefit or funding proposals.

(f) There is appropriated quadrennially, beginning in fiscal year 1986, \$100,000 for the purchase of actuarial consulting services to perform the experience study described in paragraph (c), clause (2).

Sec. 4. Minnesota Statutes 1982, section 3A.02, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] The amounts required for payment of retirement allowances provided by this section are appropriated annually to the director from the (PARTICIPATION IN THE MINNESOTA POST-RETIREMENT INVESTMENT FUND AND SHALL BE PAID BY HIM MONTHLY

TO THE RECIPIENTS ENTITLED THERETO) *legislators' retirement fund and shall be paid by him monthly to the recipients entitled thereto. Money certified by the executive director of the Minnesota state retirement system to the commissioner of finance as needed to meet the obligations of the legislators' retirement fund shall be transferred to the fund as necessary.*

Sec. 5. [3A.011] [LEGISLATORS' RETIREMENT FUND.]

There is established a legislators' retirement fund for the deposit and management of the contributions required by section 3A.02.

Sec. 6. Minnesota Statutes 1982, section 3A.02, subdivision 1b, is amended to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age of at least 60 years and who is otherwise qualified in accordance with subdivision 1 is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to the retirement allowance specified in subdivision 1 reduced by (ONE-HALF) *one-quarter* of one percent for each month that the former member of the legislature is under age 62.

Sec. 7. Minnesota Statutes 1982, section 3A.03, subdivision 1, is amended to read:

Subdivision 1. [PERCENTAGE.] Every member of the legislature shall contribute nine percent of his total salary, by payroll deduction, to be paid into the (STATE TREASURY AND DEPOSITED IN THE GENERAL FUND) *legislators' retirement fund*. It shall be the duty of the director to record the periodic contributions of each member of the legislature and credit such contribution to the member's account.

Sec. 8. Minnesota Statutes 1982, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (3.46) *3.73* percent of salary, beginning with the first full pay period after (DECEMBER 31, 1981) *June 30, 1984*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 9. Minnesota Statutes 1982, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to (THE TOTAL AMOUNT DEDUCTED FROM THE SALARIES OF EMPLOYEES ON EACH PAYROLL ABSTRACT, PLUS AN ADDITIONAL 1.58 PERCENT OF SALARY BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER JULY 1, 1982. FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 3.46 PERCENT OF SALARY PLUS AN ADDITIONAL 1.74 PERCENT OF SALARY. THE EMPLOYER CONTRIBUTION SHALL BE MADE IN THE MANNER PROVIDED IN SUBDIVISIONS 5 AND 6) *3.85 percent of salary beginning with the first full pay period after June 30, 1984.*

Sec. 10. Minnesota Statutes 1983 Supplement, section 352.113, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; ACCRUAL OF BENEFITS.] An employee making claim for a total and permanent disability benefit shall file a written application therefor in the office of the system in a form and manner prescribed by the executive director. The benefit shall begin to accrue (90 DAYS) *the day* following the commencement of disability or the day following the last day paid whichever is later but in no event earlier than 60 days prior to the date the application is filed with the director.

Sec. 11. Minnesota Statutes 1982, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective. (30 DAYS AFTER RECEIPT OF THE ELECTION OR) the date on which the disability begins to accrue as provided in subdivision 2 (, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE, THE OPTIONAL ANNUITY SHALL BEGIN TO ACCRUE ON THE SAME DATE AS PROVIDED FOR THE DISABILITY BENEFIT).

Sec. 12. Minnesota Statutes 1982, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service any employee (a) who has attained the age of at least (62) 55 years and who is entitled to

credit for not less than ten years allowable service or (b) who has (ATTAINED THE AGE OF AT LEAST 58 YEARS AND WHO IS ENTITLED TO) *received* credit for not less than (20) 30 years allowable service *regardless of age* is entitled upon application to a retirement annuity.

Sec. 13. Minnesota Statutes 1983 Supplement, section 352.115, subdivision 8, is amended to read:

Subd. 8. [ACCRUAL OF ANNUITY.] State employees shall make application for an annuity but such application shall not be made more than 60 days prior to the time the employee is eligible to retire by reason of both age and service requirements. If the director determines an applicant for annuity has fulfilled all the requirements of the law to entitle him to an annuity, he shall authorize payment thereof in accordance with the provisions of this chapter and payment shall be made pursuant to this authorization. An annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed with the director (EXCEPT THAT IF AN OPTIONAL ANNUITY AS PROVIDED IN SECTION 352.116, SUBDIVISION 3 IS SELECTED THE ANNUITY SHALL BEGIN TO ACCRUE 30 DAYS AFTER THE APPLICATION IS FILED WITH THE DIRECTOR), but in no event prior to the day following the termination of state service or prior to the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued to the retired employee during his lifetime unless he elected an optional annuity provided in section 352.116, subdivision 3, and he had become entitled to payment thereof. The joint and last survivor annuity shall cease with the last payment received by the survivor in his or her lifetime. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, such spouse shall be entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor shall be entitled to the annuity for the calendar month in which the retired employee died.

Sec. 14. Minnesota Statutes 1982, section 352.116, subdivision 1, is amended to read:

Subdivision 1. [REDUCED ANNUITY BEFORE AGE 65.] Any employee who retires prior to age 65 shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, reduced (SO THAT THE REDUCED ANNUITY SHALL BE THE ACTUARIAL EQUIVALENT OF THE ANNUITY WHICH WOULD BE PAYABLE TO THE EMPLOYEE IF THE EMPLOYEE DEFERRED RECEIPT OF THE ANNUITY FROM THE DAY THE ANNUITY BEGINS TO ACCRUE TO AGE 65, PROVIDED HOWEVER THAT IF AN EMPLOYEE IS ENTITLED TO CREDIT FOR NOT LESS

THAN 30 YEARS ALLOWABLE SERVICE, THE RETIREMENT ANNUITY SHALL BE REDUCED SO THAT THE REDUCED ANNUITY SHALL BE THE ACTUARIAL EQUIVALENT OF THE ANNUITY WHICH WOULD BE PAYABLE TO THE EMPLOYEE IF THE EMPLOYEE DEFERRED RECEIPT OF THE ANNUITY FROM THE DAY THE ANNUITY BEGINS TO ACCRUE TO AGE 62) *by one-fourth of one percent for each month that the employee is under the age of 65 on the date the annuity begins to accrue, except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under age 62.*

Sec. 15. Minnesota Statutes 1982, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee who has attained the age of at least (62) 55 years and has credit for not less than ten years allowable service (OR WHO HAS ATTAINED THE AGE OF AT LEAST 58 YEARS AND HAS CREDIT FOR NOT LESS THAN 20 YEARS ALLOWABLE SERVICE DIES BEFORE HIS STATE SERVICE HAS TERMINATED OR IF AN EMPLOYEE WHO HAS FILED A VALID APPLICATION FOR AN ANNUITY OR DISABILITY BENEFIT PRIOR TO THE TERMINATION OF HIS STATE SERVICE) *or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before (THE) an annuity or disability benefit has become payable,* notwithstanding any designation of beneficiary to the contrary, his or her surviving spouse may elect to receive, in lieu of the (REFUNDMENT) *refund* with interest provided in subdivision 1, an annuity equal to the joint and (50) 100 percent survivor annuity which the employee could have qualified for had he (RETIRED) *or she terminated service on the date of death (.).* The annuity shall be computed as provided in section 352.115, subdivisions 1, 2, and 3, and section 352.116, subdivisions 1 and 3. The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of such deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to his designated beneficiary as otherwise provided by this chapter.

Sec. 16. Minnesota Statutes 1982, section 352.92, is amended to read:

352.92 [CORRECTIONAL EMPLOYEE CONTRIBUTIONS.]

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after July 1, (1982) 1984, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (4.50) 4.90 percent of salary. (FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE IN AN AMOUNT EQUAL TO 3.78 PERCENT OF SALARY.)

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, (1982) 1984, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees ((1)) an amount equal to (1-1/2 TIMES THE DEDUCTION FROM SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT, PLUS (2) AN ADDITIONAL AMOUNT OF 1.32 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT. FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 5.66 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT PLUS AN ADDITIONAL AMOUNT EQUAL TO 3.16 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT) 8.70 percent of salary.

Sec. 17. Minnesota Statutes 1982, section 352.93, subdivision 2, is amended to read:

Subd. 2. The monthly annuity under this section shall be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first (20) 25 years of correctional service and two percent for each year thereafter; provided however, the monthly annuity shall not exceed 75 percent of the average monthly salary.

Sec. 18. Minnesota Statutes 1982, section 352.93, subdivision 3, is amended to read:

Subd. 3. The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and shall be paid for an additional 84 full calendar months or to the first of the month following the month in which (HE) *the employee becomes age 65, whichever occurs first, except that in no event shall payment cease prior to the first of the month following the month in which the employee becomes 62,* and then be reduced to the

amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at such time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to such social security benefit will equal the amount payable under subdivision 2. When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, prior to the reduction, shall be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan between the ages of 58 and 65 shall receive a partial return of his correctional contributions at retirement with five percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions such employee would have contributed as a regular employee	X	Years and complete months of regular service between ages 58 and 65
		7

Sec. 19. Minnesota Statutes 1982, section 352.95, subdivision 1a, is amended to read:

Subd. 1a. [OPTIONAL ANNUITY ELECTION.] A disabled correctional employee may elect the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE ELECTION OR) the date on which the disability benefit begins to accrue as provided in subdivision 3 (, WHICHEVER OCCURS LATER). Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 20. Minnesota Statutes 1983 Supplement, section 352B.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby established a state patrol retirement fund, the membership of which shall consist of all persons defined in section 352B.01, subdivision 2. Each member shall pay a sum equal to 8.5 percent of the member's salary. Member contribution amounts shall be deducted each pay period by the department head, who shall cause the total amount of the deductions to be paid to the state treasurer, and shall cause a detailed report of all deductions to be made each pay period to the executive director of the Minnesota state retirement system. In addition thereto, there shall be paid out of money appropriated to the departments for this purpose, by the department

heads, a sum equal to (12) 18.9 percent of the salary upon which deductions were made (, AND A SUM EQUAL TO NINE PERCENT OF THE SALARIES UPON WHICH DEDUCTIONS WERE MADE FOR THE PURPOSE OF AMORTIZING THE ACTUARIAL DEFICIT OF THE FUND).

These amounts shall be credited to the state patrol retirement fund. All moneys received shall be deposited by the state treasurer in the state patrol retirement fund. Out of the fund shall be paid the administrative expenses of the retirement fund, and the benefits and annuities as hereinafter provided. The legislative auditor shall audit the fund and the executive director shall procure an actuarial study of the fund in accordance with chapter 356, the cost of which shall be borne by the fund.

Sec. 21. Minnesota Statutes 1982, section 352C.031, subdivision 2, is amended to read:

Subd. 2. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service, a former constitutional officer or commissioner who has attained the age of at least 60 years and who has at least eight years of allowable service is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to a normal retirement allowance reduced by (ONE-HALF) *one-quarter* of one percent for each month that the former constitutional officer or commissioner is under age 62.

Sec. 22. Minnesota Statutes 1982, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] The employee contribution shall be an amount (a) for a "basic member" equal to (EIGHT) 8.00 percent of total salary; and (b) for a "coordinated member" equal to (FOUR) 4.00 percent of total salary. These contributions shall be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the total salary received from all sources.

Sec. 23. Minnesota Statutes 1982, section 353.27, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL EMPLOYER CONTRIBUTION.] An additional employer contribution shall be made equal to (a) two and one-half percent of the total salary of each "basic member"; and (b) (ONE AND ONE-HALF) 0.15 percent of the total salary of each "coordinated member." These contributions shall be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 24. Minnesota Statutes 1982, section 353.30, subdivision 1c, is amended to read:

Subd. 1c. Any person who has received credit for at least 30 years of allowable service or any person who has attained the age of at least (62) 55 years but not more than 65 years, and who received credit for at least ten years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by one-quarter of one percent for each month that the member is under age 65 at the time of retirement, except that for any member who has 30 or more years of allowable service the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.

Sec. 25. Minnesota Statutes 1982, section 353.31, subdivision 1, is amended to read:

Subdivision 1. [BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN; BEFORE RETIREMENT.] Upon the death of a (") basic member (") before retirement or upon the death of a (") basic member (") who was disabled and receiving disability benefits pursuant to section 353.33 at the time of death who has had at least 18 months of credited allowable service, the surviving spouse and dependent children of the member, as defined in section 353.01, subdivisions 15 and 20, shall be entitled to receive the monthly benefit provided below:

- | | |
|--------------------------|---|
| (a) Surviving spouse | (30) 50 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |
| (b) Each dependent child | 10 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |

Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit for a family shall not exceed (\$700) \$1,000, and the minimum benefit per family shall not be less than (30) 50 percent of the (") basic member's (") specified average monthly salary, subject to the aforementioned maximum. The surviving spouse benefit shall terminate upon the remarriage of the spouse, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a (") basic member (") whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision. *Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to section 353.32, subdivision 1a.*

Except for any benefits provided pursuant to section 353.32, subdivisions 1 and 1a, there are no survivor benefits payable to the surviving spouse or dependent children of a deceased (") coordinated member (").

Sec. 26. Minnesota Statutes 1982, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained the age of at least (58) 55 years and has credit for not less than (20) ten years of allowable service, or (HAS ATTAINED THE AGE OF AT LEAST 62 YEARS AND) who has credit for not less than (10) 30 years of allowable service (, DIES BEFORE PUBLIC SERVICE HAS TERMINATED, OR IF AN EMPLOYEE WHO HAS FILED A VALID APPLICATION FOR AN ANNUITY OR DISABILITY BENEFIT PRIOR TO TERMINATION OF PUBLIC SERVICE), regardless of age attained, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to section 353.31, an annuity equal to the (50) 100 percent joint and survivor annuity which the member could have qualified for had the member terminated service on the date of death (.). The annuity shall be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. No payment shall accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. Any member may specify in writing that this subdivision shall not apply and that payment shall be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 27. Minnesota Statutes 1982, section 353.33, Subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS; ACCRUAL OF BENEFITS.] Every claim or demand for a total and permanent disability benefit shall be initiated by written application in the manner and

form prescribed by the executive director, filed in the office of the retirement association, showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit. A member or former member who became totally and permanently disabled during his period of membership may file his application for total and permanent disability benefits within three years next following termination of public service, but not thereafter. This benefit shall begin to accrue (90 DAYS) following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the said 90 day period, from the date salary ceased whichever is later. No payment shall accrue beyond the end of the month in which entitlement has terminated. If the disabiltant dies prior to negotiating the check for the month in which death occurs, payment will be made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate.

Sec. 28. Minnesota Statutes 1982, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in subdivision 2, multiplied by two and one-half percent per year of allowable service for the first (20) 25 years and two percent per year of allowable service thereafter, shall determine the amount of the ("") normal ("") retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or fire fighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30.

Sec. 29. Minnesota Statutes 1982, section 354.42, subdivision 5, is amended to read:

Subd. 5. *For the purpose of amortizing the unfunded entry-age normal liability* an additional employer contribution shall be made in the amount of (3.05) 4.60 percent of the salary of each member (FOR THE PURPOSE OF AMORTIZING THE DEFICIT IN THE FUND). *For the fiscal year ending June 30, 1985, the commissioner of finance shall increase allotments to state agencies having members covered by the teachers retirement association in an amount equal to 1.55 percent of the salaries of basic and coordinated plan members of the teachers' retirement fund.*

This contribution shall be made in the manner provided in section 354.43.

Sec. 30. Minnesota Statutes 1982, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement an-

nuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of his formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, Section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Where any member retires prior to age 65 under a formula annuity, (HE) *the member* shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by (ONE-HALF OF ONE PERCENT FOR EACH MONTH THAT THE MEMBER IS UNDER AGE 65 TO AND INCLUDING AGE 60 AND REDUCED BY) one-fourth of one percent for each month under age (60) 65 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under age 62.

Sec. 31. Minnesota Statutes 1982, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6 equal to or greater than \$75 dies prior to retirement or if a former basic member who, at the time of death, was total-

ly and permanently disabled and receiving disability benefits pursuant to section 354.48 dies prior to attaining the age of 65 years, the surviving dependent spouse and dependent children of the basic member or former basic member shall be entitled to receive a monthly benefit as follows:

(a) Surviving dependent

spouse..... (30) 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

(b) Each dependent

child..... ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of any dependent child under the age of 22 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed (\$700) \$1,000 for any one family, and the minimum benefit per family shall not be less than (30) 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit shall terminate upon remarriage, and the surviving dependent children's benefit shall be reduced pro tanto when any surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to sections 354.47, subdivision 1 or 354.62, subdivision 5, clause (3). If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 32. Minnesota Statutes 1982, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 55 years and has credit for at least (20) ten years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to sections 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivisions 2, 6 or 7, whichever is applicable. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 33. Minnesota Statutes 1982, section 354.48, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any person described in subdivision 1 may make application for a total and permanent disability benefit within 18 months following termination of teaching service but not thereafter. This benefit shall begin to accrue (90 DAYS) following the commencement of disability or the day following the date on which salary ceases, whichever is later, but shall not begin to accrue more than 90 days prior to the date the application is filed with the board. If salary is being received for either annual or sick leave during the period, payments shall accrue from the date salary ceases.

Sec. 34. Minnesota Statutes 1982, section 354.48, subdivision 3a, is amended to read:

Subd. 3a. [OPTIONAL ANNUITY ELECTION.] A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 354.45, subdivision 1. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE ELECTION OR) and shall begin to accrue on the same date (ON WHICH) the disability benefit begins to accrue (, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE, THE OPTIONAL ANNUITY SHALL BEGIN TO ACCRUE ON THE SAME DATE AS PROVIDED FOR THE DISABILITY BENEFIT).

Sec. 35. Minnesota Statutes 1982, section 354.62, subdivision 5, is amended to read:

Subd. 5. [VARIABLE RETIREMENT ANNUITY.] (1) At retirement the amount of the member's variable account accumulation in the employee variable annuity contribution account, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, and an equal amount from the employer variable annuity contribution account shall be transferred to the variable annuity reserve account, and the variable retirement annuity for the member shall be determined by the member's age, and sex, and the amount transferred for the member to the variable annuity reserve account at the date of retirement. The amount of the annuity shall be calculated on the basis of an appropriate annuity table of mortality with an interest assumption (AS PROVIDED IN SECTION 354.07, SUBDIVISION 1) of eight percent, *except that if the member elects to have the accumulation transferred to the Minnesota post-retirement investment fund as authorized by clause (8), the annuity shall be calculated with an interest assumption of five percent.*

(2) Whenever the admitted value of the annuity reserve account of the variable annuity division, as of June 30 of any year, exceeds or is less than the then present value of all variable annuities in force, determined in accordance with the rate of interest and approved actuarial tables then in effect, by at least two percent of the present value, the amount of each variable annuity payment shall be proportionately increased or decreased for the following year.

(3) The death benefit payable in the event of a member's death prior to retirement shall be a lump sum refund of a member's variable account accumulation, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, to the surviving spouse, or if there is no surviving spouse to the designated beneficiary. Except that if a member has made an election in accordance with section 354.46, then the surviving spouse shall receive a joint and survivor annuity as described in section 354.44 and computed as provided in clause (1). An amount equal to the lump sum refund made in this clause shall be transferred from the employer contribution account to the variable annuity turnover account.

(4) Except as provided in section 354.44, subdivision 7, any person who ceases to be a member by reason of termination of teaching service, shall be entitled to a lump sum refundment of the member's variable account accumulations, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year. Application for a refundment may be made no sooner than 30 days after termination of teaching service if the applicant has

not again become a teacher. Repayment of a refundment upon resumption of teaching is not permitted under this section. An amount equal to the refundment to the member shall be transferred from the employer contribution account to the variable annuity turnover account.

(5) If a member is determined to be totally and permanently disabled as provided in sections 354.05, subdivision 14; and 354.48, the member shall be entitled to the annuity provided in this subdivision.

(6) Those members eligible for retirement as provided in section 354.44, subdivision 1 shall upon application for the annuity provided therein be entitled to the annuity provided in this subdivision. The annuity elected in accordance with sections 354.44, and 354.45 shall be the annuity applicable to this subdivision.

(7) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the teachers retirement association board requesting that the increase not be made.

(8) At retirement, a member may elect to have the amount of the member's variable annuity accumulation in the employee variable annuity contribution account and an equal amount from the employer variable annuity contribution account transferred to the Minnesota post-retirement investment fund as provided in section 354.63, subdivision 2, clause (2). This election may also be made by a surviving spouse who receives an annuity under clause (3) of this subdivision. The election shall be made on a form provided by the executive secretary.

Sec. 36. Minnesota Statutes 1982, section 354A.23, is amended by adding a subdivision to read:

Subd. 3. [BENEFIT COMPUTATION FOR BASIC PROGRAMS.] Notwithstanding any article or bylaw to the contrary, for benefits in the basic plan of the Minneapolis and St. Paul teachers retirement fund associations, the discount for early retirement shall be three percent per year when discounts for early retirement are provided for in the bylaws.

Sec. 37. Minnesota Statutes 1982, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age prior to age 65 with ten years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by

(ONE-HALF) *one-fourth* of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit (BUT IS OVER THE AGE OF 59, AND REDUCED BY ONE-FOURTH OF ONE PERCENT FOR EACH MONTH THAT THE COORDINATED MEMBER IS UNDER THE AGE OF 60).

Sec. 38. Minnesota Statutes 1982, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] Each financial report required by this section shall include:

(1) An exhibit prepared according to applicable actuarial standards enumerated in section 356.215, *and specified in rules adopted by the legislative commission on pensions and retirement* by an approved actuary as defined in section 356.215, subdivision 6 showing the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the accrued unfunded liability of the fund. The exhibit shall contain the certificate of an approved actuary certifying that the required reserves for any benefits provided under a benefit formula are computed in accordance with the Entry Age Normal Cost (Level Normal Cost) actuarial method *and rules adopted by the legislative commission on pensions and retirement.*

(a) Assets shown in the exhibit shall include the following items of actual assets:

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received

Investment in bonds at amortized cost

Investment in stocks at cost

Investment in real estate

Equipment at cost, less depreciation

Other

Total assets

(b) The exhibit shall include a statement of the unfunded accrued liability of the fund. If the assets of the fund exceed the liabilities, the excess shall be listed as surplus and indicated in the exhibit following the item of reserves.

(c) The exhibit shall include a footnote showing accumulated member contributions without interest.

(d) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Annuity payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities

(e) The exhibit shall include an item for accrued necessary reserves which shall be listed as "total reserves required as per attached schedule." The attached schedule shall contain the following information on the reserves required:

1. For active members

a. Retirement benefits

b. Disability benefits

c. Refund liability due to death or withdrawal

d. Survivors' benefits

2. For deferred annuitants
3. For former members without vested rights
4. For annuitants
 - a. Retirement
 - b. Disability annuities
 - c. Surviving spouses' annuities
 - d. Surviving children's annuities

5. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing four items of reserves required, they shall be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. The statement shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, surviving spouse benefits, surviving children's benefits, refunds to members terminating employment, refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics as to membership and beneficiaries of the fund, with indications of changes in the statistical data which may result from the current year's operation.

(5) Any additional statements or exhibits which will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in the additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

Sec. 39. Minnesota Statutes 1982, section 356.215, subdivision 4, is amended to read:

Subd. 4. [ACTUARIAL VALUATIONS; CONTENTS.] Actuarial valuations shall be made in conformity with the requirements of the definition contained in subdivision 1 *and rules adopted by the legislative commission on pensions and retirement*. Each actuarial valuation shall measure all aspects of the fund in accordance with changes in benefit plans, if any, and salaries as will be in force during the ensuing fiscal year. Each actuarial valuation shall be in accordance with the entry age normal cost (level normal cost) method.

Each actuarial valuation required under this section shall include:

(1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the laws governing the fund as of the date of the valuation, computed in accordance with the entry age normal cost (level normal cost) method. The normal cost shall be expressed as a level percentage of the future payroll of the active participants of the fund as of the date of the valuation.

(2) The accrued liabilities of the fund which shall be equal to the present value of all benefits minus the present value of future normal costs calculated in accordance with the entry age normal cost method.

(3) For each fund providing benefits under the money purchase or defined contribution method, the member contributions accumulated at interest, as apportioned to members accounts, to the date of the valuation. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase or defined contribution annuity rates which may apply.

(4) (AN) *For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, a preretirement interest assumption of (FIVE) eight percent, a post-retirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is (1.035) 1.065 multiplied by the salary for the preceding year. For all other funds, a preretirement interest assumption of five percent, a post-retirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.*

(5) Other assumptions as to mortality, disability, retirement, withdrawal, entry age and retirement age (THAT ARE APPROPRIATE TO THE FUND, WHICH SHALL BE) set

(FORTH IN THE VALUATION REPORT) *at levels consistent with those determined in the most recent experience study completed pursuant to section 356.215, subdivision 5, and set forth in the valuation report.*

(6) An actuarial balance sheet showing (ACCRUED ASSETS, ACCRUED LIABILITIES, AND THE DEFICIT FROM FULL FUNDING OF LIABILITIES (UNFUNDED ACCRUED LIABILITY). THE ACCRUED LIABILITIES SHALL INCLUDE THE FOLLOWING REQUIRED RESERVES:)

((A) FOR ACTIVE MEMBERS)

(1. RETIREMENT BENEFITS)

(2. DISABILITY BENEFITS)

(3. REFUND LIABILITY DUE TO DEATH OR WITHDRAWAL)

(4. SURVIVORS' BENEFITS)

((B) FOR DEFERRED ANNUITANTS' BENEFITS)

((C) FOR FORMER MEMBERS WITHOUT VESTED RIGHTS)

((D) FOR ANNUITANTS)

(1. RETIREMENT ANNUITIES)

(2. DISABILITY ANNUITIES)

(3. SURVIVING SPOUSES' ANNUITIES)

(4. SURVIVING CHILDREN'S ANNUITIES)

current and expected future benefit obligations, current and expected future assets, and the current and expected future unfunded liabilities. Specifically, the balance sheet shall be organized in the following manner:

[CURRENT AND EXPECTED FUTURE ASSETS]

Current Assets

Cash and equivalents \$

*Fixed income investments**Equity investments**Total Current Assets*

\$

*Expected Future Assets**Present value of expected future supplemental contributions**Present value of future normal costs**Total Expected Future Assets*

\$

Total Current and Expected Future Assets

\$

[CURRENT AND EXPECTED FUTURE BENEFIT OBLIGATIONS]*Current Benefit Obligations**Actuarial value of benefit obligations on account of service rendered to date:**For annuitants**Retirement annuities*

\$

*Disability annuities**Surviving spouses' annuities**Surviving children's annuities**For former members without vested rights**For deferred annuitants' benefits**For active employees**Retirement benefits**Disability benefits**Refund liability due to death or withdrawal**Survivors' benefits**Total Current Benefit Obligations*

\$

Expected Future Benefit Obligations

Actuarial value of benefit obligations on account of future service for active employees

Total Current and Expected Future Benefit Obligations \$

Current Unfunded Liability

(Total Current Benefit Obligations less Total Current Assets): \$

Current and Future Unfunded Liability

(Total Current and Expected Future Benefit Obligations less Total Current and Expected Future Assets): \$

For the purpose of this subdivision, the terms

(a) "expected future statutory supplemental contributions" means the sum of future employee and employer contributions at the rates specified in statute at the time the valuation is completed reduced by the present value of future normal costs; and

(b) "current assets" means the value of all assets at cost, plus one-third of any unrealized capital gains or losses, plus realized income, including realized capital gains or losses.

In addition to the above (REQUIRED RESERVES) itemization of benefit obligations, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the (RESERVES LISTED) list shown above.

(7) In addition to the level normal cost, the additional annual contribution which would be required to retire the current unfunded accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, the additional contribution shall be calculated on a level (DOLLAR BASIS BY THE ESTABLISHED DATE FOR FULL FUNDING WHICH IS IN EFFECT AT THE TIME OF THE VALUATION) percent basis by the established date for full funding which is in effect at the time of the valuation. The level percent additional contribution shall be calculated assuming annual payroll growth of 6.5 percent. For all other funds, the additional annual contribution shall be calculated on a level dollar basis.

If, after the first actuarial valuation date occurring after June 1, 1979, there has not been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities

and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1979 and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, 2009.

If after the first actuarial valuation date occurring after June 1, 1979, there has been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) The unfunded accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect prior to an applicable change;

(ii) The level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the unfunded accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in clause (4) in effect prior to the change;

(iii) The unfunded accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect prior to the change;

(iv) The level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the difference between the unfunded accrued liability amount calculated pursuant to subclause (i) and the unfunded accrued liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change;

(v) The level annual dollar or level percentage amortization contribution pursuant to subclause (iv) shall be added to the

level annual dollar amortization contribution or level percentage calculated pursuant to subclause (ii);

(vi) The period in which the unfunded accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar or level percentage amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect prior to the change; and

(vii) The period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

(8) AN ACTUARIAL BALANCE SHEET SHALL NOT INCLUDE AS AN ASSET THE PRESENT VALUE OF THE CONTRIBUTIONS REQUIRED UNDER CLAUSE (7).)

(9) (8) An analysis by the actuary explaining the increase or decrease in the unfunded accrued liability since the last valuation. The explanation shall subdivide the increase or decrease in unfunded accrued liability into at least the following parts:

(a) Increases or decreases in unfunded accrued liability because of changes in benefits;

(b) Increases and decreases in unfunded accrued liability because of each change, if any, in actuarial assumptions;

(c) Actuarial gains or losses resulting from any deviations of actual investment earnings, actual mortality rates, actual salary increase rates, actual disability rates, actual withdrawal rates and actual retirement rates from the assumptions on which the valuations are based;

(d) Increases or decreases in unfunded accrued liability because of other reasons, including the effect of the amortization contribution required under clause (7); and

(e) Increases or decreases in unfunded accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

(10) (9) A tabulation of active membership and annuitants in the fund. If the membership of a fund is under more than one general benefit program, a separate tabulation shall be made for each general benefit program. The tabulations shall be submitted in the following form:

Annual

(a) Active members

Number Payroll

As of last valuation date
new entrants

Total

Separations from active service

Refund of contributions

Separation with deferred annuity

Separation with neither refund
nor deferred annuity

Disability

Death

Retirement with service annuity

Total separations

As of current valuation date

Annual Annuity

(b) Annuitants

Number Benefit

As of last valuation date

New entrants

Total

Terminations

Deaths

Other

Total terminations

As of current valuation date

The tabulation required under subclause (b) shall be made separately for each of the following classes of annuitants:

- (a) Service retirement annuitants
- (b) Disabled annuitants
- (c) Surviving spouse annuitants
- (d) Surviving children annuitants
- (e) Deferred annuitants

((11)) (10) A statement of the administrative expenses in dollars and also as a percentage of covered payroll.

((12)) (11) A summary of the principal provisions of the plan upon which the valuation is based.

Sec. 40. [356.70] [EARLY RETIREMENT.]

Subdivision 1. [COMBINED AGE AND SERVICE REQUIREMENT.] Any member of a retirement plan established pursuant to chapters 352, 353, 354, or 354A whose attained age plus credited allowable service totals 85, is entitled, upon application prior to June 30, 1987, to the normal retirement annuity provided in these chapters without any reduction in annuity by reason of such early retirement.

Any member of the state patrol retirement fund, established pursuant to chapter 352B, the correctional employees retirement program, established pursuant to chapter 352, or the public employee police and fire fund, established pursuant to chapter 353, who has attained the age of at least 50 years and whose attained age plus credited allowable service totals 75, is entitled, upon application prior to June 30, 1987, to the normal retirement annuity provided in those chapters without any reduction in annuity by reason of such early retirement.

Subd. 2. [REPORTS.] The retirement associations to which this section applies shall request and the employing units of members retiring under the provisions of this section shall provide to the retirement association information on the salary, retirement contributions, and social security contributions paid by the employing unit to individuals filling the position vacated by the retiree. The employing unit shall also provide information on net savings, if any, made possible by the provisions of this section.

The retirement associations shall prepare a report to the legislature summarizing this information and other information in its possession relating to characteristics of retirees retiring under the provisions of this section including:

- (a) age at time of retirement;*
- (b) years of service;*
- (c) salary at time of retirement;*
- (d) high-five average salary used to determine the retirement annuity; and*
- (e) monthly benefit.*

The report shall be made to the legislature by December 31, 1986 and shall cover all retirees retiring under the provisions of this section.

Sec. 41. Minnesota Statutes 1982, section 490.124, subdivision 3, is amended to read:

Subd. 3. [EARLY RETIREMENT.] The retirement annuity provided by subdivision 1 of any judge electing to retire at an early retirement date shall be reduced by (1/15th FOR EACH FULL YEAR OR FRACTION THEREOF) *one-quarter of one percent for each month from (HIS) retirement date to normal retirement date.*

Sec. 42. Laws 1983, chapter 301, section 225, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSEMENT REQUIRED.] Any public employee or official (WHO RETIRES FROM JANUARY 1, 1983 to JUNE 30, 1985, AND) whose pension contributions were increased by Laws 1982, Third Special Session chapter 1, article 2, section 2, subdivision 1, paragraph (v) *and who has not previously received a refund of those contributions, must, upon application, be reimbursed for the amount of increased contributions paid by the official or employee because of that law. Reimbursement must be in a lump sum to the employee or official (, OR HIS OR HER SURVIVOR, AT THE SAME TIME AS THE FIRST ANNUITY PAYMENT) between October 1 and October 15, 1984, except that refunds to employees or officials retiring or terminating service prior to October 1, 1984, shall be paid at the same time as the first annuity payment or within 90 days after termination, as the case may be. The amount of the reimbursement is the amount that the employee's or official's contributions increased because of laws 1982, Third Special Session chapter 1, article 2, section 2, subdivision 1, paragraph (v) (PLUS INTEREST AT THE THEN CURRENT*

RATE PAID ON REFUNDS BY THE RELIEF OR RETIREMENT ASSOCIATION.) Reimbursement shall be paid by the retirement or relief association to which the employee belongs. *Reimbursement may be made without application if the governing board of the appropriate retirement system or association determines that this method is feasible.*

Sec. 43. Laws 1983, chapter 301, section 225, is amended by adding a subdivision to read:

Subd. 1a. [CREDIT REQUIRED.] The executive director of the Minnesota state retirement system shall credit to the share account in the supplemental retirement fund of any participant in the unclassified employees program established by Minnesota Statutes, chapter 352D, an amount equal to the amount by which employer contributions on behalf of that participant were reduced by reason of the law cited in subdivision 1. Funds sufficient to make the credits required by this subdivision are appropriated from the general fund to the executive director.

Sec. 44. [COMMISSIONER OF FINANCE TO REDUCE ALLOTMENTS.]

The commissioner of finance shall reduce the fiscal year 1985 allotments to any agencies or institutions receiving a state appropriation pursuant to Laws 1983, chapters 258, 293, 301, or 312 and having employees contributing to the public employees retirement association, state employees retirement fund, the correctional employees retirement fund, and the highway patrol retirement fund. The reduction shall be in an amount equal to the estimated fiscal year 1985 salaries of members of these plans multiplied by the differences between the employer contribution rate in effect prior to July 1, 1984, and the employer rate in effect after June 30, 1984.

Sec. 45. [ANNUAL APPROPRIATION.]

There is appropriated and transferred from the general fund to the commissioner of finance, \$1,000,000 annually for distribution among those local police and salaried firefighters relief associations that receive amortization state aid according to Minnesota Statutes, section 423A.02. Distribution shall be made according to that proportion the unfunded accrued liability of each relief association bears to the total unfunded accrued liabilities of all relief associations as reported in the most recent actuarial valuations of the relief associations that receive amortization state aid according to section 423A.02. Moneys shall be distributed to the relief associations at the same time fire and police department state aid is distributed according to section 69.021.

Sec. 46. Laws 1983, chapter 314, article 12, section 1, subdivision 2, is amended to read:

Subd. 2. [TEACHERS RETIREMENT ASSOCIATION: TEACHERS STATEWIDE.] To the teachers retirement association, to meet the state's obligation prescribed in Minnesota Statutes, section 354.43, there is appropriated:

\$87,508,200 1984,

\$(92,137,200) 106,035,000 1985.

Sec. 47. [TEACHERS RETIREMENT ASSOCIATION FUNDING.]

There is appropriated to the commissioner of finance from the general fund \$1,965,000 for the purpose of meeting the increased contribution requirements for the teacher's retirement fund necessitated by the passage of section 28, during the fiscal year commencing July 1, 1984.

Sec. 48. [REPEALER.]

Minnesota Statutes 1982, sections 352.022; 353.38; and 354.07, subdivision 8; and Laws 1983, chapter 301, section 225, subdivision 2, are repealed.

Sec. 49. [EFFECTIVE DATES.]

Sections 2, 3, 4, 5, 7, 8, 9, 16, 20, 22, 23, and 29 are effective July 1, 1984. The remaining sections are effective the day following final enactment. The provisions of section 39 are applicable to all valuations performed beginning with the valuations for the fiscal year ending June 30, 1984."

Delete the title and insert:

"A bill for an act relating to retirement; making various changes in benefits, contributions, and financing in laws governing various public pension funds; guaranteeing public pensions; directing reimbursement or credit of certain public pension contributions; appropriating funds; amending Minnesota Statutes 1982, sections 3.85, by adding subdivisions; 3A.02, subdivisions 1b and 3; 3A.03, subdivision 1; 352.04, subdivisions 2 and 3; 352.113, subdivision 3; 352.115, subdivision 1; 352.116, subdivision 1; 352.12, subdivision 2; 352.92; 352.93, subdivisions 2 and 3; 352.95, subdivision 1a; 352C.031, subdivision 2; 353.27, subdivisions 2 and 3a; 353.30, subdivision 1c; 353.31, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 2; 353.651, subdivision 3; 354.42, subdivision 5; 354.44, subdivision 6; 354.46, subdivisions 1 and 2; 354.48, subdivisions 2 and 3a; 354.62, subdivi-

sion 5; 354A.23, by adding a subdivision; 354A.31, subdivision 6; 356.20, subdivision 4; 356.215, subdivision 4; 490.124, subdivision 3; Minnesota Statutes 1983 Supplement, sections 352.113, subdivision 2; 352.115, subdivision 8; 352B.02, subdivision 1; and Laws 1983, chapters 301, section 225, subdivision 1, and by adding a subdivision; chapter 314, article 12, section 1, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 3A, and 356; and repealing Minnesota Statutes 1982, sections 352.022; 353.38; and 354.07, subdivision 8; and Laws 1983, chapter 301, section 225, subdivision 2."

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

The report was adopted.

Rice from the Committee on Appropriations 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 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.

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 NEW-BORN 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 un-

derwrites 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 reasonably be made by the health maintenance organization. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.*

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, length of enrollment in the plan, or economic status; and during every open enrollment period in which all offered health benefit plans, including those subject to the jurisdiction of the commissioners of commerce or health, fully participate without any underwriting restrictions, copayment provisions shall not discriminate on the basis of preexisting health status. In no event shall the annual copayment exceed the maximum out-of-pocket expenses allowable for a number three qualified insurance policy under section 62E.06. Where sections 62D.01 to 62D.30 permit a health maintenance organization to contain reasonable copayment provisions for preexisting health status, these provisions may vary with respect to length of enrollment in the plan. Any contract may provide for health care services in addition to those set forth in subdivision 7. Underwriting restrictions shall include, but not be limited to, the use of copayments, deductibles, evidence of insurability, or any other financial device that limits benefits or dollar coverage for certain benefits offered under health benefit plans.*

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

Subd. 12. "Participating entity" means any of the following persons, providers, companies, or other organizations with which the health maintenance organization has contracts or other agreements:

(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 (a) another health maintenance organization with which a health maintenance organization has made contractual arrangements or (b) any entity with which a health maintenance organization has contracted primarily in order to purchase or lease equipment or space or (c) employees of the health maintenance organization or (d) employees of any participating entity identified in clause (3) of this subdivision.

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 annual revenues;

(2) a participating entity providing administrative, financial, or management services to the health maintenance organization, if the total payment for all services provided by the participating entity 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 prepaid 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 shareholders of the applicant organization; and*

(2) *all members of the board of directors, or governing body of the local government unit, and the principal officers of the major participating entity and each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;*

The commissioner may by rule identify persons included in the term "principal officers";

(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. 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 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. The commissioner shall notify a major participating entity within 30 days if a contract may be disapproved.

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.

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 actual expenses and revenues. These contracts are subject to the provisions of section 62D.19,

but are not subject to the prospective review prescribed by this clause, unless or until the terms of the contract are modified.

((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, subdivision 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 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 organization. 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 require-

ment 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 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 pre-paid 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 nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance orga-

nization, 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 initiate a legal proceeding when dissatisfied with the health maintenance organization's final 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.

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, as those services relate to the health maintenance organization, 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. Any health maintenance organization which fails to file a verified report with the commissioner on or before April 1 of the year due shall be subject to the levy of a fine up to \$500 for each day the report is past due. This failure 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. Any fine levied or disciplinary action taken against the organization under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 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. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14.

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 detailed description 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 be accompanied by 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) June 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 EN-

ROLLEES 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 treatment, either inpatient or outpatient, is necessary, the enrollee shall immediately be entitled to a second opinion by a health care professional qualified in diagnosis and treatment of the problem. An enrollee who seeks a second opinion from a health care professional not affiliated with the health maintenance organiza-

tion must do so at his or her own expense. 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 REDUCED 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 main-

tenance organization and its contracts, agreements, or other arrangements with (PROVIDERS) *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 *with respect to the dealings of the participating entities with the health maintenance organization*, 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); (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 a law applicable to health maintenance organizations 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. 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 expense 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 relevant information necessary for conducting examinations pursuant to this section shall be subject to the levy of a fine up to \$200 for each day the information is not provided. A fine levied under this subdivision shall be subject to the contested case and judicial review provisions of chapter 14. In the event a timely request for review is made, accrual of a fine levied shall be stayed pending completion of the contested case and judicial review proceeding.

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, for any violation of statute or rule applicable to a health maintenance organization, or 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 15 days from the date the hearing is requested. The commissioner has 15 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 hearing examiner 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.]

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.

In an effort to achieve the stated purposes of 62D.01 to 62D.29; in order to safeguard the underlying nonprofit status 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 the health maintenance organization and its enrollees; when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense.

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. [STUDY OF COPAYMENT RESTRICTION.]

The commissioner shall solicit information from consumers, health maintenance organizations, insurers, employers, and other interested parties concerning the impact of restrictions on copayment discrimination based upon preexisting health status. The commissioner shall report a summary of the information along with an analysis and recommendation concerning the need to continue the restrictions on copayment discrimination upon preexisting health status by March 1, 1986.

Sec. 46. [REPEALER.]

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

Sec. 47. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment. Sections 17 and 24 are effective January 1, 1985. The prohibition against discrimination on the basis of preexisting health status contained in section 8, is effective for contracts effective on or after January 1, 1985."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 1.16, H. F. No. 1561 was re-referred to the Committee on Rules and Legislative Administration.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 2060, A bill for an act relating to public welfare; requiring the commissioner of public welfare to study and report on county services for mentally ill persons.

Reported the same back with the following amendments:

Page 1, delete lines 14 through 20 and insert:

"Additionally, this report shall include these provisions, developed in consultation with counties, mental health service providers, mental health advocacy groups, and other appropriate professionals as follows:

(1) a description and definition of services for mentally ill persons which comprise a comprehensive array of preventive, supportive and rehabilitative services, including residential arrangements;

(2) recommendations specifying a minimum capability which should be made available by counties for mentally ill persons; and

(3) specific recommendations designed to improve the quality of and access to services provided by the counties for mentally ill persons, including the administrative and program costs of each recommendation.

These recommendations shall be developed within the framework of Minnesota Statutes, chapter 256E."

Page 1, after line 20, insert:

"Sec. 2. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1985, \$56,700 for the purposes of this act.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 1.16, H. F. No. 2060 was re-referred to the Committee on Rules and Legislative Administration.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 2098, A bill for an act relating to public welfare; requiring financial statements by providers of continuing care facilities; allowing residents to form associations; revising procedures for determining operating cost payment rates for nursing homes; appropriating money; amending Minnesota Statutes 1982, section 144.072; Minnesota Statutes 1983 Supplement, sec-

tions 45.16, subdivision 2; 144A.31, subdivision 4; 256B.421, subdivisions 2, 5, and 8; 256B.431, subdivisions 1, 2, 4, 5, and by adding a subdivision; 256B.50; proposing new law coded in Minnesota Statutes, chapters 80D; 144; and 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 45.16, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The attorney general shall:

(a) enforce the provisions of law relating to consumer fraud and unlawful practices in connection therewith as set forth in sections 325F.68 and 325F.69;

(b) enforce the provisions of law set forth in sections 2 to 4;

(c) make recommendations to the governor and the legislature for statutory needs that exist in adequately protecting the consumer.

Sec. 2. [80D.19] [ANNUAL FINANCIAL STATEMENT REQUIRED.]

A provider shall prepare and distribute an annual financial statement to the residents of a facility. The statement shall be prepared in accordance with generally accepted accounting principles and shall be distributed within four months of the end of the provider's fiscal year. The statement must reflect all of the income and expense attributable to the facility for the fiscal year covered. The statement must account for all receipts and disbursements from whatever source derived, to whatever source paid, arising from the operation of the facility.

All entrance and maintenance fees, actual interest received and paid, and loan proceeds received, and interest and principal paid thereon, must be accounted for whether or not included in separate accounts because of trust, escrow, or other requirements. Items of income and expense to be allocated between a facility and another accounting entity must be allocated in accordance with generally accepted accounting principles. The allocation must be noted in the statement. The statement must be in sufficient detail to be meaningful but must be easily readable by, and understandable to, a person of average intelligence and education. The statement must include comparable data for the fewer of: each of the last five years; or for each year since the first receipts or disbursements, arising out of the facility project. If comparable data does not exist and cannot

be created for a past year, the variation must be noted and explained in the statement.

Sec. 3. [80D.20] [RESIDENTS' REVIEW OF BUDGET; MONTHLY STATEMENTS; MANAGEMENT CONTRACTS.]

Subdivision 1. [FORMATION OF ASSOCIATION.] The residents of a facility may form a residents' association to deal with common interests related to their residency. The association may be organized in any way so long as each resident is given an equal opportunity to participate and an equal vote in the association's decisions including those delegating authority to the association's officers, board, and committees, if any.

Subd. 2. [ANNUAL BUDGET REVIEW.] Upon notification to it of the existence of a residents' association, the provider must present its annual budget to the association for comment before its adoption. The budget must be in sufficient detail to be meaningful, but must be readable by, and understandable to, a person of average intelligence and education. The budget must reflect the projected collection and disbursement of receipts of any kind, for any purpose by the provider, or any person related in business to the provider, attributable to residents of the facility, including interest income, and trust assets, during the budget year.

Subd. 2. [REVIEW OF MONTHLY EXPENDITURE STATEMENTS.] Throughout the budget year, the provider must give the association timely monthly statements of current income and expense showing year-to-date relationship to the annual budget, and explanations for a deviation from the budget. The association or its representative may comment on, or raise questions about, the monthly statements, to the provider.

Subd. 4. The penalty provisions of section 80D.16 shall apply to provider actions in sections 2 and 3.

Sec. 4. [TIME OF EFFECT.]

The first reporting fiscal year a provider must comply with section 2 is the first of its fiscal years that ends after the effective date of sections 1 to 3. Comparable data from up to five years earlier than the reporting fiscal year is required to comply with section 1 according to its terms.

Sec. 5. Minnesota Statutes 1983 Supplement, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary, the commissioner of health, in coordination with the commissioner of public welfare, shall deny

each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state in the skilled level and in the intermediate levels of care shall remain at or decrease from the number of beds certified at each level of care on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq. *Any beds decertified pursuant to this subdivision shall immediately become available for certification by other nursing homes or boarding care homes in the same health service area. This certification shall be applied for, reviewed and approved or disapproved in accordance with the procedures required by the National Health Planning and Resources Development Act 42 U.S.C. section 300K et seq.*

The commissioner of health shall decertify all beds in a nursing home or boarding care facility which has completely ceased participation in the medical assistance program. The decertification shall be effective the same day in which the nursing home or boarding care facility ceases participation in the medical assistance program. Subsequent requests for recertification of the beds shall be denied by the commissioner of health, except as allowed under subdivision 3. For purposes of this subdivision "ceased participation" means that a nursing home or boarding care facility has no currently eligible medical assistance residents, is not accepting new medical assistance resident admissions, and whose provider agreement has been terminated either by the provider or by the commissioner of public welfare. Certified beds in facilities which do not allow medical assistance intake on July 1, 1984 or after shall be deemed to be decertified for purposes of this section only and shall be recertified only in accordance with subdivisions 2 and 3.

The commissioner of public welfare, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

Sec. 6. Minnesota Statutes 1982, section 144.072, is amended to read:

144.072 [IMPLEMENTATION OF SOCIAL SECURITY AMENDMENTS OF 1972.]

Subdivision 1. The state commissioner of health shall implement by rule, pursuant to the administrative procedures act, those provisions of the social security amendments of 1972 (P. L. 92-603) required of state health agencies, including rules which:

(a) establish a plan, consistent with regulations prescribed by the secretary of health, education, and welfare, for the review by appropriate professional health personnel, of the appropriateness and quality of care and services furnished to recipients of medical assistance; and

(b) provide for the determination as to whether institutions and agencies meet the requirements for participation in the medical assistance program, and the certification that those requirements, including utilization review, are being met.

Subd. 2. The policies and procedures, including survey forms, reporting forms, and other documents developed by the commissioner of health for the purpose of conducting the inspections of care required under the provisions of 42 CFR 456.600 to 456.614 in effect on March 1, 1984, have the force and effect of law and shall remain in effect and govern inspections of care until June 30, 1986, unless otherwise superceded by rules promulgated by the commissioner of health.

Sec. 7. [144.0721] [ASSESSMENTS OF CARE AND SERVICES TO NURSING HOME RESIDENTS.]

Subdivision 1. The commissioner of health shall assess the appropriateness and quality of care and services furnished to private paying residents in nursing homes and boarding care homes that are certified for participation in the medical assistance program under United States Code, title 42, section 1396 et seq. These assessments shall be conducted in accordance with section 144.072, with the exception of the provisions requiring the making of recommendations for changes in the level of care provided to the private paying residents.

Subd. 2. [ACCESS TO DATA.] With the exception of summary data, data on individuals that is collected, maintained, used, or disseminated by the commissioner of health under subdivision 1 shall be private data on individuals and shall not be disclosed to others except:

- (1) pursuant to section 13.05;*
- (2) pursuant to a valid court order;*
- (3) to the nursing home or boarding care home in which the individual resided at the time the assessment was completed; or*
- (4) to the commissioner of public welfare.*

Sec. 8. Minnesota Statutes 1983 Supplement, section 144A.31, subdivision 4, is amended to read:

Subd. 4. [ENFORCEMENT.] The board shall develop and recommend for implementation effective methods of enforcing quality of care standards. When it deems necessary, and when all other methods of enforcement are not appropriate, the board shall recommend to the commissioner of health closure of all or part of a nursing home or *certified boarding care home* and revocation of the license. The board shall develop, and the commissioner of public welfare shall implement, a resident relocation plan that instructs the county in which the nursing home or *certified boarding care home* is located of procedures to ensure that the needs of residents in nursing homes or *certified boarding care homes* about to be closed are met. *The duties of a county under the relocation plan also apply when residents are to be discharged from a nursing home or certified boarding care home as a result of change in certification, closure, or loss or termination of the facility's medical assistance provider agreement.* The county shall ensure placement in swing beds in hospitals, placement in unoccupied beds in other nursing homes, utilization of home health care on a temporary basis, foster care placement, or other appropriate alternative care. In preparing for relocation, the board shall ensure that residents and their families or guardians are involved in planning the relocation.

Sec. 9. Minnesota Statutes 1982, section 256B.25, is amended to read:

256B.25 [PAYMENTS TO (LICENSED) CERTIFIED FACILITIES.]

Subdivision 1. Payments may not be made hereunder for care in any private or public institution, including but not limited to hospitals and nursing homes, unless licensed by an appropriate licensing authority of this state, any other state, or a Canadian province and if applicable, certified by an appropriate authority under United States Code, title 42, sections 1396 et seq.

Subd. 2. The payment of state or county funds to nursing homes, boarding care homes, and supervised living facilities, except payments to state operated institutions, for the care of persons who are eligible for medical assistance, shall be made only through the medical assistance program, except as provided in subdivision 3.

Subd. 3. The limitation in subdivision 2 shall not apply to:

(a) payment of Minnesota supplemental assistance funds to recipients who reside in facilities which are involved in litigation contesting their designation as an institution for treatment of mental disease;

(b) payment or grants to a boarding care home or supervised living facility licensed by the DPW under 12 MCAR 2.036, 12

MCAR 2.035, 12 MCAR 2.005, or 12 MCAR 2.008, or payment to recipients who reside in these facilities;

(c) payments or grants to a boarding care home or supervised living facility which are ineligible for certification under United States Code, title 42, sections 1396 et seq;

(d) payments or grants to similar facilities or recipients if approved by the commissioner.

Sec. 10. Minnesota Statutes 1983 Supplement, section 256B.421, subdivision 2, is amended to read:

Subd. 2. [ACTUAL ALLOWABLE HISTORICAL OPERATING COST PER DIEM.] "Actual allowable historical operating cost per diem" means the per diem (PAYMENT FOR ACTUAL) operating costs (, INCLUDING OPERATING COSTS,) allowed by the commissioner for the most recent reporting year.

Sec. 11. Minnesota Statutes 1983 Supplement, section 256B.421, subdivision 5, is amended to read:

Subd. 5. [GENERAL AND ADMINISTRATIVE COSTS.] "General and administrative costs" means all allowable costs for administering the facility, including but not limited to: salaries of administrators, assistant administrators, (MEDICAL DIRECTORS,) accounting personnel, data processing personnel, and all clerical personnel; board of directors fees; business office functions and supplies; travel, *except as necessary for training programs for nursing personnel and dieticians required to maintain licensure, certification, or professional standards requirements*; telephone and telegraph; advertising; (LICENSES AND PERMITS;) membership dues and subscriptions; postage; insurance, except as included as a fringe benefit under subdivision 14; professional services such as legal, accounting and data processing services; central or home office costs; management fees; management consultants; employee training, for any top management personnel and for other than direct resident care related personnel; and business meetings and seminars. These costs shall be included in general and administrative costs in total, without direct or indirect allocation to other cost categories.

In a nursing home of 60 or fewer beds, part of an administrator's salary may be allocated to other cost categories to the extent justified in records kept by the nursing home. Central or home office costs representing services of required consultants in areas including, but not limited to, dietary, pharmacy, social services, or activities may be allocated to the appropriate department, but only if those costs are directly identified by the nursing home.

Sec. 12. Minnesota Statutes 1983 Supplement, section 256B.421, subdivision 8, is amended to read:

Subd. 8. [OPERATING COSTS.] "Operating costs" means the day-to-day costs of operating the facility in compliance with licensure and certification standards. Operating cost categories are: nursing, including nurses and nursing assistants training; dietary; laundry and linen; housekeeping; plant operation and maintenance; other care-related services; general and administration; payroll taxes; real estate taxes and actual special assessments paid; and fringe benefits, including clerical training and travel necessary for nursing personnel or dietitians for training programs required to maintain licensure, certification, or professional standards requirements.

Sec. 13. Minnesota Statutes 1983 Supplement, section 256B.431, subdivision 1, is amended to read:

Subdivision 1. [IN GENERAL.] The commissioner shall determine prospective payment rates for resident care costs. In determining the rates, the commissioner shall group nursing homes according to different levels of care and geographic location until July 1, 1985 (, AND AFTER THAT DATE, MIX OF RESIDENT NEEDS, AND GEOGRAPHIC LOCATION, AS DEFINED BY THE COMMISSIONER). *For rates established on or after July 1, 1985, the commissioner shall develop procedures for determining operating cost payment rates that take into account the mix of resident needs, geographic location, special resident populations served, administrative relationship to a hospital, and other factors as determined by the commissioner.* The commissioner shall consider the use of the standard metropolitan statistical areas when developing groups by geographic location. Until (GROUPS ARE ESTABLISHED ACCORDING TO MIX OF RESIDENT NEEDS) *the commissioner establishes procedures for determining operating cost payment rates,* the commissioner shall group all convalescent and nursing care units attached to hospitals into one group for purposes of determining reimbursement for operating costs. On or before June 15, 1983, the commissioner shall mail notices to each nursing home of the rates to be effective from July 1 of that year to June 30 of the following year. In subsequent years, the commissioner shall provide notice to each nursing home on or before May 1 of the rates effective for the following rate year. If a statute enacted after May 1 affects the rates, the commissioner shall provide a revised notice to each nursing home as soon as possible.

The commissioner shall establish, by rule, limitations on compensation recognized in the historical base for top management personnel. *For rate years beginning July 1, 1985, the commissioner shall not provide, by rule, limitations on top management personnel.* The commissioner shall also establish, by rule, limi-

tations on allowable nursing hours for each level of care for the rate years beginning July 1, 1983 and July 1, 1984. *For the rate year beginning July 1, 1984, nursing homes in which the nursing hours exceeded 2.9 hours per day for skilled nursing care or 2.3 hours per day for intermediate care during the reporting year ending on September 30, 1983 shall be limited to a maximum of 3.2 hours per day for skilled nursing care and 2.65 hours per day for intermediate care.*

Sec. 14. Minnesota Statutes 1983 Supplement, section 256B.-431, subdivision 2, is amended to read:

Subd. 2. [OPERATING COSTS.] (a) *For the rate year beginning July 1, 1984, the commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days. The commissioner shall disallow any portion of the general and administration cost category, exclusive of fringe benefits and payroll taxes, that exceeds:*

(10 PERCENT) (1) *for nursing homes with more than 100 certified beds in total, the greater of ten percent or the median of general and administrative cost per diems of nursing homes grouped by level of care;*

(12 PERCENT) (2) *for nursing homes with fewer than 101 but more than 40 certified beds in total, the greater of 12 percent or the median of general and administrative cost per diems of nursing homes grouped by level of care;*

(14 PERCENT) (3) *for nursing homes with 40 or fewer certified beds in total, the greater of 14 percent or the median of general and administrative cost per diems of nursing homes grouped by level of care; and*

(4) *15 percent for convalescent and nursing care units attached to hospitals for the rate year beginning July 1, (1983) 1984, of the expenditures in all operating cost categories except fringe benefits, payroll taxes, and general and administration.*

(b) *for the rate year beginning July 1, 1983, and ending June 30, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on the allowed historical operating costs as reported in the most recent cost report received by December 31, 1982 and audited by March 1, 1983, and may be subsequently adjusted to reflect the costs allowed. To determine the allowed historical operating cost, the commissioner shall update the historical per diem shown in those cost reports to June 30, 1983, using a nine percent annual rate of increase after applying the general and*

administrative cost limitation described in paragraph (a). The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(1) Within each group, each nursing home whose actual allowable historical operating cost per diem as determined under this paragraph (b) is above the 60th percentile shall receive the 60th percentile increased by six percent plus 80 percent of the difference between its actual allowable operating cost per diem and the 60th percentile.

(2) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or below the 60th percentile shall receive that actual allowable historical operating cost per diem increased by six percent.

For the rate year beginning July 1, 1984, and ending June 30, 1985, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on actual allowable historical operating costs incurred during the reporting year preceding the rate year. The commissioner shall analyze and evaluate each nursing home's report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year. The actual allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the number of actual resident days to compute the actual allowable historical operating cost per diems. The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(3) Within each group, each nursing home whose actual allowable historical operating cost per diem is above the 60th percentile of payment rates shall receive the 60th percentile increased at an annual rate of six percent plus 75 percent of the difference between its actual allowable historical operating cost per diem and the 60th percentile.

(4) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or below the 60th percentile shall receive that actual allowable historical operating cost per diem increased at an annual rate of six percent.

(c) for (SUBSEQUENT YEARS) rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing

homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The commissioner shall:

(1) Contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate;

(2) (ESTABLISH THE 60TH PERCENTILE OF ACTUAL ALLOWABLE HISTORICAL OPERATING COST PER DIEMS FOR EACH GROUP OF NURSING HOMES ESTABLISHED UNDER SUBDIVISION 1 BASED ON COST REPORTS OF ALLOWABLE OPERATING COSTS IN THE PREVIOUS REPORTING YEAR.) The commissioner shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective. (THE ALLOWABLE HISTORICAL OPERATING COSTS, AFTER THE COMMISSIONER'S ANALYSIS AND EVALUATION, SHALL BE ADDED TOGETHER AND DIVIDED BY THE ACTUAL NUMBER OF RESIDENT DAYS IN ORDER TO COMPUTE THE ACTUAL ALLOWABLE HISTORICAL OPERATING COST PER DIEM;)

(3) *Establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, age, size of the nursing home, and the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes. The limits established under this clause shall remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (c), clause (4).*

In determining allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent.

The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner may combine one or more operating cost categories and may use

different methods for calculating payment rates for each operating cost category or combination of operating cost categories.

((3)) (4) Establish a composite index (FOR EACH GROUP) or indices by determining the (WEIGHTED AVERAGE OF ALL) appropriate economic change indicators to be applied to (THE) specific operating cost categories (IN THAT GROUP;) or combination of operating cost categories.

((4) WITHIN EACH GROUP, EACH NURSING HOME SHALL RECEIVE THE 60TH PERCENTILE INCREASED BY THE COMPOSITE INDEX CALCULATED IN PARAGRAPH (C) (3). THE HISTORICAL BASE FOR DETERMINING THE PROSPECTIVE PAYMENT RATE SHALL NOT EXCEED THE OPERATING COST PAYMENT RATES DURING THAT REPORTING YEAR.)

(5) Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in paragraph (c), clause (4) for the operating cost category plus an efficiency incentive established pursuant to paragraph (c), clause (3), or the limit for the operating cost category increased by the same index. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(6) The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (i) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (BUT (II) SHALL NOT BE USED TO COMPUTE THE 60TH PERCENTILE) (ii) shall not be used to compute the 60th percentile or other operating cost limits established by the commissioner, and (iii) shall not be increased by the composite index or indices established pursuant to paragraph (c), clause (4).

(7) For rate years beginning on or after July 1, 1986, the commissioner may allow a one-time adjustment to historical operating costs of a nursing home that has been found by the commissioner of health to be significantly below care related minimum standards appropriate to the mix of resident needs in

that nursing home when it is determined by the commissioners of health and welfare that the nursing home is unable to meet minimum standards through reallocation of nursing home costs and efficiency incentives or allowances. In developing procedures to allow adjustments, the commissioner shall specify the terms and conditions governing any additional payments made to a nursing home as a result of the adjustment. The commissioner shall establish procedures to recover amounts paid pursuant to this clause, in whole or in part, and to adjust current and future rates, for nursing homes that fail to use the adjustment to satisfy care related minimum standards.

(d) (THE COMMISSIONER SHALL ALLOW THE NURSING HOME TO KEEP, AS AN EFFICIENCY INCENTIVE, THE DIFFERENCE BETWEEN THE NURSING HOME'S OPERATING COST PAYMENT RATE ESTABLISHED FOR THAT RATE YEAR AND THE ACTUAL HISTORICAL OPERATING COSTS INCURRED FOR THAT RATE YEAR, IF THE LATTER AMOUNT IS SMALLER. IF A NURSING HOME'S ACTUAL HISTORIC OPERATING COSTS ARE GREATER THAN THE PROSPECTIVE PAYMENT RATE FOR THAT RATE YEAR, THERE SHALL BE NO RETROACTIVE COST SETTLE-UP.) If an annual cost report or field audit indicates that (THE) expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health and the inter-agency board for quality assurance. If a field audit reveals that unallowable expenditures have been included in the nursing home's historical operating costs, the commissioner shall disallow the expenditures and recover the entire overpayment. The commissioner shall establish, by rule, procedures for assessing an interest charge at the rate determined for unpaid taxes or penalties under section 270.75 on any outstanding balance resulting from an overpayment or underpayment.

(e) *Until procedures for determining operating cost payment rates according to mix of resident needs are established, the commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, or who have extensive care needs based on nursing hours actually provided or mental or physical disability, or who need (FOR) respite care for a specified and limited time period (, AND). In addition, the commissioner shall take into consideration facilities which historically provided nursing hours at or near the maximum limits which were subsequently reduced as a consequence of payment rate reductions. The payment rate shall be based on an assessment of the nursing home's resident mix as determined by the commissioner of health. When circumstances dictate, the com-*

missioner has authority to renegotiate payment rates for an additional period of time. The payment rate negotiated and paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rule-making procedures required by chapter 14 and section 256B.502.

(f) *Until (GROUPS ARE ESTABLISHED ACCORDING TO MIX OF RESIDENT CARE NEEDS) procedures for determining operating cost payment rates according to mix of resident needs are established, nursing homes licensed on June 1, 1983 by the commissioner to provide residential services for the physically handicapped and nursing homes that have an average length of stay of less than 180 days shall not be included in the calculation of the 60th percentile of any group. For rate year beginning July 1, 1983 and July 1, 1984, each of these nursing homes shall receive their actual allowed historical operating cost per diem increased by six percent. The commissioner shall also apply to these nursing homes the percentage limitation on the general and administrative cost category as provided in subdivision 2, paragraph (a).*

Sec. 15. Minnesota Statutes 1983 Supplement, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) A newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983 and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2, paragraph (b) to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2(f), the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by temporary and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. *Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.*

(b) *For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any*

facility that is licensed by the department of health only as a boarding care home, is certified by the department of health as an intermediate care facility, is licensed by the department of public welfare under 12 MCAR S 2.036, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, shall remain in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited payment rate determined in paragraph (b), clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the purpose of establishing payment rates under this clause, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of paragraph (b) shall submit annual cost reports on forms prescribed by the commissioner.

Sec. 16. Minnesota Statutes 1983 Supplement, section 256B.431, subdivision 5, is amended to read:

Subd. 5. [ADJUSTMENTS.] When resolution of appeals or on-site field audits of the records of nursing homes within a group result in adjustments to the 60th percentile of the payment rates within the group in (ANY) the reporting year ending on September 30, 1983, the 60th percentile established for the following rate year for that group shall be increased or decreased by the adjustment amount.

Sec. 17. Minnesota Statutes 1983 Supplement, section 256B.431, is amended by adding a subdivision to read:

Subd. 6. The commissioners of health and welfare shall adopt temporary rules necessary for the implementation and enforcement of the reimbursement system established in sections 5 to 16, 18 and 20. The commissioner of health may adopt temporary rules relating to the licensure requirements of boarding care

homes and nursing homes promulgated under sections 144.56 and 144A.08 if appropriate due to the changes in the reimbursement system. Until June 30, 1986, any temporary rules promulgated by the commissioners of health or welfare under this section shall be adopted in accordance with the provisions contained in sections 14.29 to 14.36 in effect as of March 1, 1984. Temporary rules adopted under this section shall have the force and effect of law and shall remain in effect until June 30, 1986 unless otherwise superseded by rule. The procedures for the adoption of the temporary rules authorized by this section shall prevail over any other act which amends the provisions of chapter 14 regardless of the date of final enactment of those amendments. The rules shall be developed in consultation with the interagency board for quality assurance, provider groups and consumers and the board shall conduct public hearings as appropriate. The commissioners of health and welfare shall consider all comments received and shall not implement the temporary rules until a report on the proposed rules has been presented to the senate health and human services committee and the house of representatives health and welfare committee. The rules shall be effective five days after publication in the State Register.

Sec. 18. Minnesota Statutes 1983 Supplement, section 256B.48, subdivision 1, is amended to read:

Subdivision. 1. [PROHIBITED PRACTICES.] A nursing home is not eligible to receive medical assistance payments unless it refrains from:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances: the nursing home may (1) charge private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be offered to all residents and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing home in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing home. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a

nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of a hearing examiner under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The hearing examiner shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance;

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home;

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home;

(d) (REQUIRING ANY APPLICANT TO THE NURSING HOME, OR THE APPLICANT'S GUARDIAN OR CONSERVATOR, AS A CONDITION OF ADMISSION, TO ASSURE THAT THE APPLICANT IS NEITHER ELIGIBLE FOR NOR WILL SEEK PUBLIC ASSISTANCE FOR PAYMENT OF NURSING HOME CARE COSTS) *Providing differential treatment on the basis of status with regard to public assistance;*

(e) *Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance. Admissions discrimination shall include, but is not limited to:*

1) *basing admissions decisions upon assurance by the applicant to the nursing home, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs;*

2) *engaging in preferential selection from waiting lists based on an applicant's ability to pay privately.*

The collection and use by a nursing home of relevant financial information about any applicant screened under the provisions of the pre-admission screening program established

by section 256B.091 shall not of itself raise an inference that the nursing home is utilizing that information for any purpose prohibited by this paragraph;

((E)) (f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any portion of his fee to the nursing home except as payment for renting or leasing space or equipment of the nursing home or purchasing support services, if those agreements are disclosed to the commissioner; and

((F)) (g) Refusing, for more than 24 hours, to accept a resident returning to his same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) accounts for all of the applicant's assets which are required to be assigned to the home so that only expenses for the cost of care of the applicant may be charged against the account; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the applicant's account upon request, and to receive an audited statement of the expenditures charged against his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, the balance of his individual account.

The commissioner may continue to make medical assistance payments to a nursing home or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing home to correct the violation. The nursing home shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20 day period the commissioner may reduce the payment rate to the nursing home by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation, and shall remain in effect until the violation is corrected. The nursing home or boarding care home may appeal

the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing home is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing home to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing home.

Sec. 19. [256B.491] [WAIVERED SERVICES.]

Subdivision 1. [STUDY.] The commissioner of public welfare shall prepare a study on the characteristics of providers who have the potential for offering home and community-based services under federal waivers authorized by United States Code, Title 42, sections 1396 to 1396p. The study shall include, but not be limited to:

(a) An analysis of the characteristics of providers presently involved in offering services to the elderly, chronically ill children, disabled persons under age 65, and mentally retarded persons;

(b) The potential for conversion to waiver services of facilities which currently provide services to the disability groups enumerated in clause (a);

(c) Proposals for system redesign to include (1) profiles of the types of providers best able, within reasonable fiscal constraints, to serve the needs of clients and to fulfill public policy goals in provision of waiver services, (2) methods for limiting concentration of facilities providing services under waiver, (3) methods for insuring that services are provided by the widest array of provider groups.

The commissioner shall present the study to the legislature no later than March 15, 1985.

Subd. 2. [CONTROL LIMITED.] Until July 1, 1985, no one person shall control the delivery of waiver services to more than 50 persons receiving waiver services as authorized by section 256B.501. For the purposes of this section the following terms have the meanings given them:

(1) A "person" is an individual, a corporation, a partnership, an association, a trust, an unincorporated organization, a subsidiary of an organization, and an affiliate. A "person" does not include any governmental authority, agency or body.

(2) An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with another person.

(3) "Control" including the terms "controlling", "controlled by", and "under the common control with" is the possession, direct or indirect, or the power to direct or cause the direction of the management, operations or policies of a person, whether through the ownership of voting securities, by contract, through consultation or otherwise.

Sec. 20. Minnesota Statutes 1983 Supplement, section 256B.50, is amended to read:

256B.50 [APPEALS.]

A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41 and 256B.47 if the appeal, if successful, would result in a change to the nursing home's payment rate. *The appeal procedures also apply to appeals of payment rates calculated under 12 MCAR S 2.049 filed with the department on or after May 1, 1984.* To appeal, the nursing home shall notify the commissioner in writing of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the nursing home believes is correct, the authority in statute or rule upon which the nursing home relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner. The appeal shall be heard by a hearing examiner according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the hearing examiner. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, a nursing home shall comply with section 14.44.

Sec. 21. [256B.504] [ACQUISITION LIMITATION.]

Subdivision 1. [CONTROL LIMITED.] Except for beds in state operated institutions, no one person shall control more than ten percent of any one classification of the beds certified for

medical assistance for a period of one year from the effective date of this section. For purposes of this section, beds certified as skilled, intermediate care levels one and two shall be combined into one classification. Facilities certified as intermediate care facilities mentally retarded shall be considered a separate classification. In no case shall any one person control more than an aggregate ten percent of the certified beds in a given classification within the state of Minnesota. For purposes of computing the ten percent limitation, certified beds in state operated institutions shall be excluded. Any person controlling more than ten percent of the beds in any given classification shall divest itself of such excess within 18 months of the effective date of this law. For the purposes of this section the following terms have the meanings given them:

(1) A "person" is an individual, a corporation, a partnership, an association, a trust, an unincorporated organization, a subsidiary of an organization, and an affiliate.

(2) An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with another person.

(3) "Control" including the terms "controlling", "controlled by", and "under the common control with" is the possession, direct or indirect, or the power to direct or cause the direction of the management, operations or policies of a person, whether through the ownership of voting securities, by contract, through consultation or otherwise.

Subd. 2. [STUDY.] The Interagency Board for Quality Assurance shall study the issues of ownership concentration in the nursing home industry in this state, with special attention to the effect on medical assistance rates paid for resident care. The Board shall make a report to the Legislative Commission on Long Term Health Care in January, 1985.

Sec. 22. Minnesota Statutes 1982, section 256D.06 is amended by adding a subdivision to read:

Subd. 6. General assistance funds may be paid to cover the room and board needs of persons who are eligible for general assistance and who are placed by the county in a licensed facility for the purpose of receiving physical, mental health or rehabilitative care.

Sec. 23. [REPORT.] By February 1, 1986, the commissioner of health shall report to the legislature recommendations to reduce the amount and cost of regulation for nursing homes. The recommendations shall identify at least ten specific regulations and regulatory procedures that are not cost effective and

that do not enhance the quality of care for residents of nursing homes.

Sec. 24. [OPERATING COST ADJUSTMENT ALLOWANCE.]

For the rate year beginning July 1, 1984, and ending June 30, 1985, and for the purpose of salary increases for direct-care personnel, the commissioner shall add \$.26 per resident per day to the operating cost payment rate of each nursing home whose allowable historical operating cost per diem is below the 60th percentile of all historical operating costs per diems for its respective group. For the same rate year, and for the same purpose, the commissioner shall add \$.13 per resident per day to the operating cost payment rate of each nursing home whose allowable historical operating cost per diem is above the 60th percentile of all historical operating costs per diems for its respective group. The groups shall be the groups established under section 256B.431, subdivision 1, based on cost reports of allowable historical operating costs incurred in the previous reporting year. This increase shall not be used for general and administrative costs or property-related costs. Any changes in the ranking of nursing homes resulting from a field audit or appeals settlement shall not affect the calculations under this clause.

Sec. 25. [APPROPRIATION.]

Subdivision 1. There is appropriated to the commissioner of health \$698,500 to implement the provisions of sections 5 to 7 and 17. The approved complement of the department of health is increased by 22 positions.

Subd. 2. There is appropriated to the commissioner of the department of public welfare \$4,272,000 for the purposes of sections 8 to 24.

Subd. 3. There is appropriated to the legislative commission on long term health care \$25,000 for the purposes of nursing home reimbursement rule developments and the state hospital planning study.

Subd. 4. The appropriations in subdivisions 1, 2 and 3 are from the general fund for the biennium ending June 30, 1985.

Sec. 26. [EFFECTIVE DATE.]

Sections 5 to 24 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 7, delete "section 144.072;" and insert "sections 144.072; 256B.25; and 256D.06, by adding a new subdivision;"

Page 1, line 9, after the first semi-colon, insert "144A.071, subdivision 2;"

Page 1, line 11, after the first semi-colon, insert "256B.48, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 1.16, H. F. No. 2098 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF SENATE BILLS

S. F. Nos. 2030, 1914, 1575, 1403, 2102, 1883, 2109, 1732, 1336, 1864, 2043, 1498, 1807, 1862, 595, 924, 992, 1442 and 1977 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Gruenes introduced:

H. F. No. 2331, A bill for an act relating to health; providing for physical therapy evaluation and referral; prohibiting certain practices by physical therapists; amending Minnesota Statutes 1982, sections 148.65, subdivision 1; 148.75; and 148.76.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Sherman introduced:

H. A. No. 63, A proposal to study costs and benefits of property tax relief for energy efficient buildings.

The advisory was referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1562, A bill for an act relating to labor; providing for the prompt payment of commissions to commission salespersons who leave or lose their job; providing civil penalties for nonprompt payment; providing that wages can be promptly paid through the mail at the request of the employee or salesperson; amending Minnesota Statutes 1982, sections 181.13; and 181.14; proposing new law coded in Minnesota Statutes, chapter 181.

H. F. No. 1651, A bill for an act relating to crimes; including conservation officers as peace officers authorized to enforce the crime of fleeing a peace officer and related laws; setting penalties for flight from a peace officer under certain conditions; amending Minnesota Statutes 1982, sections 65B.605, subdivision 2; and 609.487, subdivisions 2 and 4.

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.

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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1809, A bill for an act relating to crimes; authorizing aggregation of thefts in medicaid fraud cases; extending the statute of limitations in medicaid fraud cases; amending Minnesota Statutes 1982, section 628.26; Minnesota Statutes 1983 Supplement, section 609.52, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

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.

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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 523, A bill for an act relating to public utilities; defining scope of independent telephone companies accountable under chapter 237; amending Minnesota Statutes 1982, section 237.01, subdivision 3.

H. F. No. 1338, A bill for an act relating to elections; clarifying certain provisions relating to voting machines; amending Minnesota Statutes 1982, section 123.32, subdivision 7; and Minnesota Statutes 1983 Supplement, section 204C.24, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1982, sections 206.01 to 206.23; and Minnesota Statutes 1983 Supplement, sections 206.08, subdivision 3; 206.09; 206.11; 206.19, subdivision 1; and 206.21, subdivision 3.

H. F. No. 1786, A bill for an act relating to the military; modifying the qualifications of the adjutant general; changing the appointment of assistant adjutants general; mandating termination of an officer's commission when federal recognition is withdrawn; expanding the power of the adjutant general to sell an armory; and expanding the use of the proceeds from the sale of an armory; amending Minnesota Statutes 1982, sections 190.07; 190.08, subdivisions 1, 3, and 4; 190.09; 192.18, subdivision 1; and 193.36, subdivision 2.

H. F. No. 1835, A bill for an act relating to transportation; allowing prepayment of state contractual obligations to governmental subdivisions under agreements for the construction,

improvement, or maintenance of trunk highways; amending Minnesota Statutes 1982, section 16A.41, subdivision 1, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

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.

H. F. No. 2038, A bill for an act relating to local government; providing procedures for making certain contracts; amending Minnesota Statutes 1983 Supplement, section 471.345, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1824, A bill for an act relating to transportation; authorizing vending machines in rest areas, tourist information centers and weigh stations on certain highways; providing for installation of drain tile along or across highways; delineating debt collection authority of the department of transportation; providing for the erection of certain signs by counties; permitting restaurants to be included on specific service signs; providing for the clustering and spacing of specific service signs; directing the commissioner of transportation to establish a sign franchise program for the placement of advertising logos on the right-of-way of certain highways; authorizing road authorities to assist each other; redefining "directional signs" for purposes of outdoor advertising control and directing the commissioner of transportation to develop uniform standards for them; reducing a fee; repealing a restriction on the authority of the commissioner of transportation to expend money to acquire or condemn advertising devices; amending Minnesota Statutes 1982, sections 160.08, subdivision 7; 160.20, subdivision 3, and by adding a subdivision; 160.28, by adding a subdivision; 160.283, subdivision 3; 160.285; 160.292; 160.293, subdivisions 1 and 3; 160.295, subdivisions 2 and 3; 161.20, subdivision 4; 161.39, subdivisions 1, 5, and 6; 169.01, by adding a subdivision;

169.14, subdivision 2, and by adding a subdivision; 173.02, subdivision 6; and 173.13, subdivision 7; Minnesota Statutes 1983 Supplement, sections 173.08, subdivision 1; 173.13, subdivision 4; and Laws 1983, chapter 293, section 2, subdivision 4; proposing new law coded in Minnesota Statutes, chapters 160 and 173.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Neuenschwander moved that the House concur in the Senate amendments to H. F. No. 1824 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1824, A bill for an act relating to transportation; authorizing vending machines in rest areas, tourist information centers and weigh stations on certain highways; providing for installation of drain tile along or across highways; delineating debt collection authority of the department of transportation; providing for the erection of certain signs by counties; permitting restaurants to be included on specific service signs; providing for the clustering and spacing of specific service signs; directing the commissioner of transportation to establish a sign franchise program for the placement of advertising logos on the right-of-way of certain highways; authorizing road authorities to assist each other; redefining "directional signs" for purposes of outdoor advertising control and directing the commissioner of transportation to develop uniform standards for them; reducing a fee; repealing a restriction on the authority of the commissioner of transportation to expend money to acquire or condemn advertising devices; amending Minnesota Statutes 1982, sections 160.08, subdivision 7; 160.20, subdivision 3, and by adding a subdivision; 160.28, by adding a subdivision; 160.283, subdivision 3; 160.285; 160.292; 160.293, subdivisions 1 and 3; 160.295, subdivisions 2 and 3; 161.20, subdivision 4; 161.39, subdivisions 1, 5, and 6; 169.01, by adding a subdivision; 169.14, subdivision 2, and by adding a subdivision; 173.02, subdivision 6; and 173.13, subdivision 7; Minnesota Statutes 1983 Supplement, section 173.13, subdivision 4; and Laws 1983, chapter 293, section 2, subdivision 4; proposing new law coded in Minnesota Statutes, chapters 160 and 173.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Battaglia	Bennett	Blatz	Brinkman
Anderson, G.	Beard	Bergstrom	Boo	Burger
Anderson, R.	Begich	Bishop	Brandl	Carlson, L.

Clark, J.	Haukoos	McDonald	Quist	Swanson
Clark, K.	Heap	McEachern	Reif	Thiede
Clawson	Heinitz	McKasy	Rice	Tomlinson
Cohen	Himle	Metzen	Rodriguez, C.	Tunheim
Coleman	Hoffman	Minne	Rodriguez, F.	Uphus
Dempsey	Hokr	Munger	Rose	Valan
DenOuden	Jacobs	Murphy	St. Onge	Valento
Dimler	Jennings	Nelson, D.	Sarna	Vanasek
Eken	Jensen	Nelson, K.	Schafer	Vellenga
Elioff	Johnson	Neuenschwander	Scheid	Voss
Ellingson	Kahn	Norton	Schoenfeld	Waltman
Erickson	Kelly	O'Connor	Schreiber	Welch
Evans	Knickerbocker	Ogren	Seaberg	Welker
Findlay	Knuth	Olsen	Segal	Welle
Fjoslien	Kostohryz	Omann	Shea	Wenzel
Forsythe	Krueger	Onnen	Sherman	Wigley
Graba	Kvam	Otis	Simoneau	Wynia
Greenfield	Larsen	Pauly	Skoglund	Zaffke
Gruenes	Long	Peterson	Solberg	Speaker Sieben
Gustafson	Ludeman	Piepho	Sparby	
Gutknecht	Mann	Piper	Staten	
Halberg	Marsh	Price	Sviggum	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1058, A bill for an act relating to limited partnerships; providing for withdrawals of certain partners; providing for liabilities of partners; amending Minnesota Statutes 1982, sections 322A.27; and 322A.33.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 1058 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1058, A bill for an act relating to limited partnerships; providing for withdrawals of certain partners; providing for liabilities of partners; amending Minnesota Statutes 1982, sections 322A.27; and 322A.33.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 996, A bill for an act relating to local government; authorizing the port authorities of the cities of St. Paul and Bloomington to acquire and operate a district heating system.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Norton moved that the House concur in the Senate amendments to H. F. No. 996 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 996, A bill for an act relating to energy; allowing port authorities to own and operate district heating systems; allowing certain cities to acquire district heating systems without election; authorizing counties to provide district heating services within cities under certain conditions; amending Minnesota Statutes 1982, section 465.74, by adding subdivisions.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 112 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Pauly	Skoglund
Anderson, G.	Evans	Krueger	Peterson	Solberg
Anderson, R.	Findlay	Kvam	Piepho	Sparby
Battaglia	Fjoslien	Larsen	Piper	Staten
Beard	Forsythe	Long	Price	Sviggunn
Begich	Graba	Mann	Quinn	Swanson
Bennett	Greenfield	Marsh	Quist	Tomlinson
Bergstrom	Gruenes	McEachern	Reif	Tunheim
Bishop	Gustafson	McKasy	Rice	Uphus
Blatz	Gutknecht	Metzen	Riveness	Valento
Boo	Halberg	Minne	Rodosovich	Vanasek
Brandl	Haukoos	Munger	Rodriguez, C.	Vellenga
Brinkman	Heap	Murphy	Rodriguez, F.	Voss
Burger	Heinitz	Nelson, D.	Rose	Waltman
Carlson, L.	Himle	Nelson, K.	St. Onge	Welch
Clark, J.	Hoffman	Neuenschwander	Sarna	Welle
Clark, K.	Jacobs	Norton	Scheid	Wenzel
Clawson	Jensen	O'Connor	Schoenfeld	Wigley
Cohen	Johnson	Ogren	Seaberg	Wynia
Coleman	Kahn	Olsen	Segal	Speaker Sieben
Dempsey	Kelly	Onnen	Shea	
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	Simoneau	

Those who voted in the negative were:

DenOuden	Jennings	Omann	Schreiber	Welker
Erickson	Ludeman	Schafer	Thiede	Zaffke
Hokr	McDonald			

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested.

H. F. No. 1939, A bill for an act relating to commerce; removing preference for Minnesota made materials in state purchasing; clarifying definition of public contract for resident preference; amending Minnesota Statutes 1982, section 16.365; Minnesota Statutes 1983 Supplement, sections 16.0721; repealing Minnesota Statutes 1982, section 16.073; Minnesota Statutes 1983 Supplement, section 16.072; and Laws 1983, chapter 336, section 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Beard moved that the House refuse to concur in the Senate amendments to H. F. No. 1939, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested.

H. F. No. 1466, A bill for an act relating to courts; providing procedures for collection of conciliation court judgments; requiring conciliation court clerks to explain procedures of conciliation court to litigants and to assist them in filling out forms; amending Minnesota Statutes 1982, sections 488A.13, subdivision 2; 488A.16, subdivision 8; 487.30, by adding subdivisions; 488A.30, subdivision 2; and 488A.33, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clawson moved that the House refuse to concur in the Senate amendments to H. F. No. 1466, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2317, A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; creating and modifying agencies and functions; fixing and limiting fees; requiring studies and reports; appropriating money; amending Minnesota Statutes 1982, sections 3.099, subdivisions 2 and 3; 3.30, subdivision 2; 3.3005; 10.12; 10.14; 10.15; 11A.08, subdivision 3; 15.0575, subdivision 3; 15.0597, subdivision 1; 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.27, by adding a subdivision; 43A.30, by adding a subdivision; 84.085; 84A.53; 84A.54; 84B.03, by adding a subdivision; 94.16; 117.085; 117.195, subdivision 1; 117.232, subdivision 1; 125.031; 136.11, subdivi-

sions 2 and 7; 136.506; 136.55, subdivision 2; 136A.81, subdivision 1; 144.413, subdivision 2; 144.414; 158.07; 158.08; 161.173; 161.174; 168.12, subdivisions 1 and 5; 168.33, subdivision 2; 169.966, subdivision 1a, and by adding a subdivision; 174.22, subdivisions 5, 10, and 13, and by adding a subdivision; 174.23, subdivisions 2 and 4; 174.24, subdivisions 1, 2, and 5; 174.265, subdivision 3; 179.741, subdivision 2; 214.001, subdivision 2; 214.13, subdivisions 1, 2, 3, and 5; 221.295; 239.10; 241.66, subdivision 2; 245.811; 256E.07, subdivision 1, and by adding subdivisions; 296.13; 299D.03, subdivision 2; 340.11, subdivision 11a; 345.47, subdivision 1, and by adding a subdivision; 345.525; 352.01, subdivision 2A; 359.01; 462A.05, subdivision 20; 473.121, subdivisions 7, 10, 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; and 473.449; Minnesota Statutes 1983 Supplement, sections 3.3026, subdivision 5; 3.732, subdivision 1; 10A.01, subdivision 18; 15A.081, subdivisions 1, 6, and 7; 16A.125, subdivision 5; 16A.15, subdivision 6; 16A.36; 16A.672; 43A.04, subdivision 8; 85.40, subdivision 5; 85.41, subdivisions 3, 4, and 5; 116J.70, subdivision 2a; 135A.03, subdivisions 1, 3, and 4; 135A.07, subdivision 2; 136.144; 136A.121, subdivision 2; 161.43; 161.44, subdivision 6a; 174.24, subdivision 3; 180.03, subdivision 2; 214.06, subdivision 1; 214.13, subdivision 4; 221.041, by adding a subdivision; 221.071, subdivision 1; 256.01, subdivision 2; 256B.501, subdivision 10; 256D.111, subdivision 2; 256D.112; 268.673, subdivision 5; 268.675; 268.676, subdivisions 1 and 2; 268.677; 268.686; 268.80; 268.81; 298.296, subdivision 1; 357.021, subdivision 2a; 462A.07, subdivision 15; 473.436, subdivision 6; 517.08, subdivision 1c; Laws 1983, chapter 199, section 17, subdivision 2; chapter 258, section 2, subdivision 7; chapter 290, section 172; chapter 293, sections 1; 2, subdivisions 2, 8, and 9; 4, subdivisions 1 and 3; and 6; chapter 301, sections 38, 39, 40, 41, and 42; proposing new law coded in Minnesota Statutes, chapters 13, 16, 16A, 18, 48, 84, 136, 161, 190, 214, 221, 246, 256B, 268, 349, and 473; proposing new law coded as Minnesota Statutes, chapters 16B, 40A, 119, and 494; repealing Minnesota Statutes 1982, sections 10.13; 16A.132; 16A.51; 16A.54; 16A.59; 16A.73; 84.82, subdivision 9; 120.83; 136.11, subdivision 6; 136A.133; 174.03, subdivision 5a; 174.24, subdivisions 3a and 4; 174.265; 174.31; 256E.07, subdivision 3; 473.401; 473.402; 473.403; 473.411, subdivision 1; 473.413, as amended; and 473.451; Minnesota Statutes 1983 Supplement, sections 120.801; 120.802; 120.803; 120.804; 120.805; 120.806; and 120.81; Laws 1983, chapter 289, section 102.

The Senate has appointed as such committee Messrs. Willet, Kroening, Samuelson, Luther and Frederickson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 1750, 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, subdivisions 8 and 9; 82.21, subdivision 1; 82.22, subdivisions 2 and 5; 345.32; 345.47, subdivision 1; 345.48; 345.49; Minnesota Statutes 1983 Supplement, sections 82.22, subdivisions 6 and 13; and 82.34, subdivision 7; proposing new law coded in Minnesota Statutes, chapter 345.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Wegscheid, Freeman and Sieloff.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Segal moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1750. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 1511, A bill for an act relating to taxation; property; modifying the exemption for property held by political subdivisions; amending Minnesota Statutes 1982, section 272.02, subdivision 5.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Petty, Freeman and Kamrath.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Scheid moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1511. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1553, 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 112.37, subdivision 7; 112.42, subdivision 3; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Levi moved that the House concur in the Senate amendments to H. F. No. 1553 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 112.37, subdivision 7; 112.42, subdivision 3; 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.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called: There were 115 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 120 and 1978.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 120, A bill for an act relating to local government; authorizing counties or cities to enact ordinances against trespassing under certain conditions; prescribing penalties; proposing new law coded in Minnesota Statutes, chapter 471.

The bill was read for the first time.

Gruenes moved that S. F. No. 120 and H. F. No. 63, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1978, A bill for an act relating to the metropolitan airports commission; defining its relationship to the legislature

and the metropolitan council; amending Minnesota Statutes 1982, sections 473.611, subdivision 5; 473.621, subdivision 6, and by adding subdivisions.

The bill was read for the first time.

Anderson, G., moved that S. F. No. 1978 and H. F. No. 2063, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1939:

Beard, Bishop and Johnson.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1516

A bill for an act relating to local government; authorizing the levy of special assessments or service charges for fire protection systems; amending Minnesota Statutes 1982, sections 429.011, by adding a subdivision; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivisions 2 and 3; and 429.101, subdivision 1.

April 13, 1984

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1516, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1516 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 429.011, is amended by adding a subdivision to read:

Subd. 14. "Fire protection system" means pipes, standpipes, sprinklers, control systems and other devices and equipment installed in or outside a building for the primary purpose of elimi-

nating or reducing the spread of fire in the building or providing for safe evacuation of the building, whether the devices and equipment are publicly or privately owned.

Sec. 2. Minnesota Statutes 1982, section 429.021, subdivision 1, is amended to read:

Subdivision 1. [IMPROVEMENTS AUTHORIZED.] The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend and maintain steam heating mains.

(4) To install, replace, extend and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care and removal.

(8) To abate nuisances and to drain swamps, marshes and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote a pedestrian skyway system.

(12) To acquire, construct, reconstruct, extend, operate, maintain and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) *To construct, reconstruct, alter, extend, operate, maintain and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.*

Sec. 3. Minnesota Statutes 1982, section 429.031, subdivision 3, is amended to read:

Subd. 3. [PETITION BY ALL OWNERS.] Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against his property pursuant to section 429.081. *In the case of a petition for the installation of a fire protection system, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection system. In the case of a petition for the installation of a fire protection system, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.*

Sec. 4. Minnesota Statutes 1982, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called improvement warrants *or, in the case of bonds for fire protection systems, revenue bonds* and shall contain a promise to pay solely out of the proper special fund *or funds pledged to their payment*. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants *or revenue bonds* out of funds on hand in the proper (SPECIAL FUND) *funds* and not otherwise.

Sec. 5. Minnesota Statutes 1982, section 429.091, subdivision 3, is amended to read:

Subd. 3. [METHOD OF ISSUANCE.] All obligations shall be issued in accordance with the provisions of chapter 475, except (THAT) *as provided in this subdivision*.

An election shall be required for bonds if less than 20 percent of the cost of the improvement to the municipality is to be assessed against benefited property.

If the full faith, credit, and taxing power of the municipality is not pledged and the bonds are issued to finance a fire protection system, a public sale shall not be required and the obligations may

(a) *mature at any time or times within 30 years from date of issue,*

(b) *mature in the amount or amounts,*

(c) *be sold at a price equal to the percentage of their par value, plus accrued interest, and*

(d) *bear interest at the rate or rates, as agreed by the purchaser and the municipality, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law.*

The maturities shall be such as in the opinion of the council are warranted by the anticipated collections of assessments and ad valorem levies for the municipality's share of the cost; except that the council may in its discretion issue and sell temporary improvement bonds maturing and subject to further conditions as set forth in subdivision 5. All obligations shall state upon their face the purpose of the issue and the fund from which they are payable. The amount of any obligations issued hereunder shall not be included in determining the net indebtedness of any municipality under the provisions of any law limiting such indebtedness.

Sec. 6. Minnesota Statutes 1982, section 429.101, subdivision 1, is amended to read:

Subdivision 1. [ORDINANCES.] In addition to any other method authorized by law or charter, the governing body of any municipality may provide for the collection of unpaid special charges for all or any part of the cost of

- (a) snow, ice, or rubbish removal from sidewalks,
- (b) weed elimination from streets or private property,
- (c) removal or elimination of public health or safety hazards from private property, excluding any structure included under the provisions of sections 463.15 to 463.26,
- (d) installation or repair of water service lines, street sprinkling or other dust treatment of streets,
- (e) the trimming and care of trees and the removal of unsound trees from any street,
- (f) the treatment and removal of insect infested or diseased trees on private property, the repair of sidewalks and alleys, (OR)
- (g) the operation of a street lighting system, or
- (h) the operation and maintenance of a fire protection system

as a special assessment against the property benefited. The council may by ordinance adopt regulations consistent with this section to make this authority effective, including, at the option of the council, provisions for placing primary responsibility upon the property owner or occupant to do the work himself (except in the case of street sprinkling or other dust treatment, alley repair, tree trimming, care, and removal or the operation of a street lighting system) upon notice before the work is under-

taken, and for collection from the property owner or other person served of the charges when due before unpaid charges are made a special assessment.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to local government; authorizing the levy of special assessments or service charges for fire protection systems; amending Minnesota Statutes 1982, sections 429.011, by adding a subdivision; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivisions 2 and 3; and 429.101, subdivision 1."

We request adoption of this report and repassage of the bill.

House Conferees: TODD OTIS, LINDA SCHEID and JIM EVANS.

Senate Conferees: LAWRENCE J. POGEMILLER, GEN OLSON and DON B. SAMUELSON.

Otis moved that the report of the Conference Committee on H. F. No. 1516 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1516, A bill for an act relating to local government; authorizing the levy of special assessments or service charges for fire protection systems; amending Minnesota Statutes 1982, sections 429.011, by adding a subdivision; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivisions 2 and 3; and 429.101, subdivision 1.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 109 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brinkman	Dimler	Gustafson	Knickerbocker
Anderson, G.	Burger	Eken	Gutknecht	Kostohryz
Anderson, R.	Carlson, D.	Elioff	Halberg	Krueger
Battaglia	Carlson, L.	Ellingson	Haukoos	Kvam
Beard	Clark, J.	Erickson	Himle	Larsen
Begich	Clark, K.	Evans	Hoffman	Long
Bennett	Clawson	Findlay	Jacobs	Mann
Bergstrom	Cohen	Fjoslien	Jensen	Marsh
Bishop	Coleman	Forsythe	Johnson	McDonald
Blatz	Dempsey	Greenfield	Kahn	McEachern
Brandl	DenOuden	Gruenes	Kelly	McKasy

Metzen	Omman	Reif	Seaberg	Vanasek
Minne	Onnen	Rice	Sherman	Vellenga
Munger	Osthoff	Rodosovich	Simoneau	Voss
Murphy	Otis	Rodriguez, C.	Skoglund	Waltman
Nelson, D.	Pauly	Rodriguez, F.	Solberg	Welch
Nelson, K.	Peterson	Rose	Sparby	Welle
Neuenschwander	Piepho	St. Onge	Svigum	Wenzel
Norton	Piper	Sarna	Swanson	Wigley
O'Connor	Price	Schafer	Uphus	Wynia
Ogren	Quinn	Scheid	Valan	Speaker Sieben
Olsen	Quist	Schoenfeld	Valento	

Those who voted in the negative were:

Jennings	Schreiber	Thiede	Welker	Zaffke
Ludeman				

The bill was repassed, as amended by Conference, and its title agreed to.

Carlson, D., was excused while in conference.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1511:

Scheid, Kelly and Osthoff.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1750:

Segal, Metzen and Sarna.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Concurrent Resolution No. 11, A house concurrent resolution requiring the establishment of an affirmative action plan for the legislature; requiring employment of an affirmative action officer.

Reported the same back with the following amendments:

Page 1, line 21, delete "minority" and insert "protected"

With the recommendation that when so amended the resolution be adopted.

The report was adopted.

HOUSE CONCURRENT RESOLUTION NO. 11

A house concurrent resolution requiring the establishment of an affirmative action plan for the legislature; requiring employment of an affirmative action officer.

Whereas, the Minnesota Legislature has the responsibility to guarantee every individual equal employment opportunity in the legislative branch without reference to race, color, religion, sex, handicap, or national origin; and

Whereas, it is the intention of the Minnesota Legislature to remove any vestiges of discrimination that may impede full compliance with equal employment opportunity in the legislative branch of state government; *Now, Therefore*,

Be it resolved by the House of Representatives of the State of Minnesota, the Senate concurring, that:

(a) The Legislative Coordinating Commission shall employ or contract for the services of a legislative affirmative action officer. At the direction of the Legislative Coordinating Commission, the officer shall prepare an affirmative action program for the legislative branch that will assist in recruiting qualified members of protected groups for legislative branch staff positions, provide educational programs for legislators and legislative branch staff on the need for and proper response to affirmative action, and further equal employment opportunity in the legislative branch.

(b) The Legislative Coordinating Commission shall recommend the plan to the Senate and House of Representatives. The plan shall consist of:

(1) procedures, standards, and assumptions used by the Legislative Coordinating Commission in preparing the plan;

(2) objectives, goals, and policies;

(3) timetables for accomplishing the goals;

(4) a requirement for the periodic submission of affirmative action progress reports to the Legislative Coordinating Commission; and

(5) other relevant information.

(c) The Legislative Coordinating Commission shall periodically revise the plan, as necessary.

(d) All legislators and legislative branch staff shall facilitate the work of the affirmative action officer. Information shall be

provided to the officer on each vacant position or new position established, and the affirmative officer may provide each hiring officer with a list of qualified applicants for these positions. Hiring officers shall advertise vacant or new positions and solicit applications in manners calculated to reach members of the minority community.

Staten moved that House Concurrent Resolution No. 11 be now adopted.

The question was taken on the adoption of House Concurrent Resolution No. 11 and the roll was called. There were 104 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Olsen	Shea
Anderson, G.	Elioff	Knuth	Omann	Sherman
Battaglia	Ellingson	Kostohryz	Osthoff	Simoneau
Beard	Evans	Krueger	Otis	Skoglund
Begich	Forsythe	Larsen	Pauly	Solberg
Bennett	Graba	Levi	Peterson	Sparby
Bergstrom	Greenfield	Long	Piper	Staten
Bishop	Gruenes	Mann	Price	Sviggun
Blatz	Gustafson	Marsh	Quinn	Swanson
Boo	Gutknecht	McEachern	Rice	Tomlinson
Brandl	Halberg	McKasy	Rodosovich	Uphus
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valan
Burger	Heap	Minne	Rodriguez, F.	Vanasek
Carlson, L.	Himle	Munger	Rose	Vellenga
Clark, J.	Hoffman	Murphy	St. Onge	Waltman
Clark, K.	Jacobs	Nelson, D.	Sarna	Welch
Clawson	Jennings	Nelson, K.	Scheid	Welle
Cohen	Jensen	Neuenschwander	Schoenfeld	Wenzel
Coleman	Johnson	Norton	Schreiber	Wynia
Dempsey	Kahn	O'Connor	Seaberg	Speaker Sieben
Dimler	Kalis	Ogren	Segal	

Those who voted in the negative were:

DenOuden	Knickerbocker	McDonald	Schafer	Welker
Erickson	Kvam	Piepho	Thiede	Wigley
Findlay	Ludeman	Quist	Valento	Zaffke
Fjoslien				

The motion prevailed and House Concurrent Resolution No. 11 was adopted.

SPECIAL ORDERS

H. F. No. 1981 was reported to the House.

There being no objection H. F. No. 1981 was temporarily laid over on Special Orders.

Blatz was excused while in conference.

H. F. No. 1775 was reported to the House.

Otis moved to amend H. F. No. 1775, the second engrossment, as follows:

Page 6, after line 13, insert:

"Subd. 17. [RESOURCE RECOVERY.] "Resource recovery" means the cost effective collection, extraction or reuse of resources from materials, components or processes which would normally represent wasted resources or energy, such collection, extraction or reuse to result in a lesser energy intensity than would be required to produce the same product from any non-waste materials."

Renumber remaining subdivision accordingly

Page 6, line 23, after "resources" insert ", (4) manufacture of products by means of resource recovery for sale in the ordinary course of business"

Page 24, line 18, after the period insert *"In the event the authority shall determine that the energy loan insurance fund is or will be depleted in connection with the use of the fund as authorized by the act which has been approved or given preliminary approval by the authority, then the authority may by resolution transfer money from the energy development fund created pursuant to section 116J.925."*

Page 26, line 20, after the period insert *"In the event the authority shall determine that the energy development fund is or will be depleted in connection with the use of the fund as authorized by the act which has been approved or given preliminary approval by the authority, then the authority may by resolution transfer money from the energy loan insurance fund created pursuant to section 116J.924."*

The motion prevailed and the amendment was adopted.

Otis moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 20, lines 10 to 20, reinstate the stricken language

Page 20, line 20, strike "\$30,000,000" and insert "\$60,000,000"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Norton moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 19, line 29, after the period insert "*The authority to adopt temporary rules expires June 30, 1985.*"

The motion prevailed and the amendment was adopted.

Knuth was excused while in conference.

Welker moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 19, lines 25 and 26, delete the new language

The motion did not prevail and the amendment was not adopted.

Welker moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 23, lines 17 to 21, delete the new language

Page 23, lines 29 to 33, delete the new language

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 44 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Boo	Forsythe	Hokr	Piepho	Sviggum
Burger	Frerichs	Jennings	Quist	Thiede
Dempsey	Gruenes	Johnson	Redalen	Valan
DenOuden	Gutknecht	Kvam	Rose	Valento
Dimler	Halberg	Ludeman	Schafer	Waltman
Erickson	Haukoos	Marsh	Schreiber	Welker
Evans	Heap	McDonald	Seaberg	Wigley
Findlay	Heinitz	Onnen	Shea	Zaffke
Fjoslien	Himle	Pauly	Sherman	

Those who voted in the negative were:

Anderson, G.	Ellingson	Mann	Otis	Skoglund
Battaglia	Graba	McEachern	Peterson	Solberg
Beard	Greenfield	Metzen	Price	Sparby
Begich	Gustafson	Minne	Quinn	Staten
Bergstrom	Hoffman	Munger	Riveness	Swanson
Brandl	Jacobs	Murphy	Rodosovich	Tomlinson
Carlson, L.	Jensen	Nelson, D.	Rodriguez, C.	Tunheim
Clark, J.	Kahn	Nelson, K.	Rodriguez, F.	Vanasek
Clark, K.	Kelly	Neuenschwander	St. Onge	Vellenga
Clawson	Knickerbocker	Norton	Sarna	Voss
Cohen	Kostohryz	O'Connor	Scheid	Welch
Coleman	Krueger	Ogren	Schoenfeld	Wenzel
Eken	Larsen	Omann	Segal	Wynia
Elioff	Long	Osthoff	Simoneau	Speaker Sieben

The motion did not prevail and the amendment was not adopted.

Ludeman moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 3, line 23, delete "(or any of the other purposes listed below)"

Page 3, line 28, delete remaining new language in subdivision

The motion did not prevail and the amendment was not adopted.

Ludeman moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 8, delete lines 21 to 33

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 50 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Jennings	Pauly	Swiggum
Bishop	Forsythe	Johnson	Piepho	Thiede
Burger	Frerichs	Kvam	Quist	Uphus
Carlson, D.	Gutknecht	Levi	Redalen	Valan
Dempsey	Halberg	Ludeman	Reif	Valento
DenOuden	Haukoos	Marsh	Rose	Waltman
Dimler	Heap	McDonald	Schafer	Welker
Erickson	Heinitz	McKasy	Schreiber	Wenzel
Evans	Himle	Olsen	Seaberg	Wigley
Findlay	Hokr	Onnen	Sherman	Zaffke

Those who voted in the negative were:

Anderson, B.	Elioff	Mann	Peterson	Solberg
Anderson, G.	Ellingson	McEachern	Piper	Sparby
Battaglia	Greenfield	Metzen	Price	Staten
Beard	Gruenes	Minne	Quinn	Swanson
Begich	Gustafson	Munger	Rice	Tomlinson
Bergstrom	Hoffman	Murphy	Rodosovich	Tunheim
Brandl	Jacobs	Nelson, D.	Rodriguez, C.	Vanasek
Brinkman	Jensen	Nelson, K.	Rodriguez, F.	Vellenga
Carlson, L.	Kahn	Neuenschwander	St. Onge	Voss
Clark, J.	Kelly	Norton	Sarna	Weich
Clark, K.	Knickerbocker	O'Connor	Scheid	Welle
Clawson	Kostohryz	Ogren	Schoenfeld	Wynia
Cohen	Krueger	Omann	Segal	Speaker Sieben
Coleman	Larsen	Osthoff	Simoneau	
Eken	Long	Otis	Skoglund	

The motion did not prevail and the amendment was not adopted.

Ludeman moved to amend H. F. No. 1775, the second engrossment, as amended, as follows:

Page 15, line 33, to page 19, line 15, delete section 15

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 43 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Bennett	Findlay	Johnson	Pauly	Thiede
Boo	Fjoslien	Knickerbocker	Piepho	Uphus
Burger	Frerichs	Kvam	Quist	Valento
Carlson, D.	Graba	Ludeman	Redalen	Waltman
Dempsey	Gutknecht	Marsh	Reif	Welker
DenOuden	Haukoos	McDonald	Schafer	Wigley
Dimler	Heap	McKasy	Seaberg	Zaffke
Erickson	Hokr	Olsen	Sherman	
Evans	Jennings	Onnen	Swiggum	

Those who voted in the negative were:

Anderson, B.	Battaglia	Brandl	Clark, J.	Cohen
Anderson, G.	Beard	Brinkman	Clark, K.	Coleman
Anderson, R.	Begich	Carlson, L.	Clawson	Eken

Elioff	Kostohryz	O'Connor	Rodriguez, F.	Tunheim
Ellingson	Krueger	Ogren	St. Onge	Vanasek
Greenfield	Larsen	Omann	Sarna	Vellenga
Gustafson	Long	Osthoff	Scheid	Voss
Halberg	Mann	Otis	Schoenfeld	Welch
Heinitz	McEachern	Peterson	Segal	Welle
Himle	Metzen	Piper	Simoneau	Wenzel
Hoffman	Minne	Price	Skoglund	Wynia
Jacobs	Munger	Quinn	Solberg	Speaker Sieben
Jensen	Nelson, D.	Rice	Sparby	
Kahn	Nelson, K.	Riveness	Staten	
Kalis	Neuenschwander	Rodosovich	Swanson	
Kelly	Norton	Rodriguez, C.	Tomlinson	

The motion did not prevail and the amendment was not adopted.

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.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 82 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Larsen	Otis	Solberg
Anderson, G.	Elioff	Long	Peterson	Sparby
Anderson, R.	Ellingson	Mann	Piper	Staten
Battaglia	Evans	McEachern	Quinn	Swanson
Beard	Fjoslien	Metzen	Redalen	Tomlinson
Begich	Graba	Minne	Riveness	Tunheim
Bergstrom	Greenfield	Munger	Rodosovich	Vanasek
Bishop	Gustafson	Murphy	Rodriguez, C.	Vellenga
Boo	Hoffman	Nelson, D.	Rodriguez, F.	Voss
Brandl	Jacobs	Nelson, K.	St. Onge	Welch
Brinkman	Jensen	Neuenschwander	Sarna	Welle
Carlson, L.	Kahn	Norton	Scheid	Wenzel
Clark, J.	Kalis	O'Connor	Schoenfeld	Wynia
Clark, K.	Kelly	Ogren	Segal	Speaker Sieben
Clawson	Knuth	Olsen	Shea	
Cohen	Kostohryz	Omann	Simoneau	
Coleman	Krueger	Osthoff	Skoglund	

Those who voted in the negative were:

Bennett	Gruenes	Johnson	Pauly	Sherman
Burger	Gutknecht	Knickerbocker	Piepho	Sviggum
Carlson, D.	Halberg	Kvam	Price	Thiede
Dempsey	Haukoos	Levi	Quist	Uphus
DenOuden	Heap	Ludeman	Reif	Valento
Dimler	Heinitz	Marsh	Rose	Waltman
Erickson	Himle	McDonald	Schafer	Welker
Findlay	Hokr	McKasy	Schreiber	Wigley
Forsythe	Jennings	Onnen	Seaberg	Zaffke
Frerichs				

The bill was passed, as amended, and its title agreed to.

H. F. No. 1981 which was temporarily laid over earlier today was again reported to the House.

Riveness moved that H. F. No. 1981 be returned to its author. The motion prevailed.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Anderson, R., was excused while in conference.

DenOuden was excused between the hours of 2:00 p.m. and 2:30 p.m.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 158, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize certain lotteries.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 467, A bill for an act relating to retirement; making various changes in benefits, contributions, and financing in laws governing various public pension funds; guaranteeing public pensions; directing reimbursement or credit of certain public pension contributions; appropriating funds; amending Minnesota Statutes 1982, sections 3.85, by adding subdivisions; 3A.02, subdivisions 1b and 3; 3A.03, subdivision 1; 352.04, subdivisions 2 and 3; 352.113, subdivision 3; 352.115, subdivision 1; 352.116, subdivision 1; 352.12, subdivision 2; 352.92; 352.93, subdivisions 2 and 3; 352.95, subdivision 1a; 352C.031, subdivision 2; 352C.09, subdivision 1; 353.27, subdivisions 2 and 3a; 353.30, subdivision 1c; 353.31, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 2; 353.651, subdivision 3; 354.42, subdivision 5; 354.44, subdivision 6; 354.46, subdivisions 1 and 2; 354.48, subdivisions 2 and 3a; 354.62, subdivision 5; 354A.23, by adding a subdivision; 354A.31, subdivision 6; 356.20, subdivision 4; 356.215, subdivision 4; 490.124, subdivision 3; Minnesota Statutes 1983 Supplement, sections 352.113, subdivision 2; 352.115, subdivision 8; 352B.02, subdivision 1; and Laws 1983, chapter 301, section 225, subdivision 1, and by adding a subdivision; chapter 314, article 12, section 1, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 3A, and 356; and repealing Minnesota Statutes 1982, sections 352.022; 353.38; and 354.07, subdivision 8; and Laws 1983, chapter 301, section 225, subdivision 2.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration 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 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 reim-

bursement 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.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2060, A bill for an act relating to public welfare; requiring the commissioner of public welfare to study and report on county services for mentally ill persons.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2098, A bill for an act relating to public welfare; requiring financial statements by providers of continuing care facilities; allowing residents to form associations; revising procedures for determining operating cost payment rates for nursing homes; appropriating money; amending Minnesota Statutes 1982, section 144.072; Minnesota Statutes 1983 Supplement, sections 45.16, subdivision 2; 144A.31, subdivision 4; 256B.421, subdivisions 2, 5, and 8; 256B.431, subdivisions 1, 2, 4, 5, and by adding a subdivision; 256B.50; proposing new law coded in Minnesota Statutes, chapters 80D; 144; and 256B.

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

The report was adopted.

There being no objection the order of business reverted to Second Reading of House Bills.

SECOND READING OF HOUSE BILLS

H. F. Nos. 158, 467, 1561, 2060 and 2098 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1408.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1451.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1492.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1561 and 1842.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1408, A bill for an act relating to state government; recodifying the laws governing the department of administration; allowing the commissioner of administration to transfer to local government units certain supplies, materials, and equipment; allowing the commissioner of administration to charge a price sufficient to cover costs when selling copies of laws and resolutions; allowing the commissioner of administration to lease office space and purchase supplies and equipment without the approval of the governor; allowing the commissioner of administration to provide for the use of certain motor vehicles by the governor and lieutenant governor; relating to the use of state vehicles and compensation for use of personal vehicles; including in the definition of the term "employee" for purposes of workers' compensation a voluntary uncompensated worker accepted by the commissioner of administration; providing for criminal and juvenile defense grants to be administered by the board of public defense; specifying the United States department of labor as the entity which designates a labor surplus area; amending Minnesota Statutes 1982, sections 16A.065; and 645.445, subdivision 5; and Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9; proposing new law coded in Minnesota Statutes, chapters 16A and 611; proposing new law coded as Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1982, sections 16.01; 16.011; 16.012; 16.014; 16.02, subdivisions 1, 2, 2a, 3, 4, 5, 5a, 6, 6a, 6b, 7, 8, 9, 10, 13, 15, 16, 17, 18, 19, 24, 25, 26, and 27; 16.021; 16.022; 16.023; 16.0231; 16.024; 16.025; 16.026; 16.028; 16.03; 16.04; 16.05; 16.06; 16.061; 16.062; 16.063; 16.064; 16.065; 16.066; 16.068; 16.07; 16.073; 16.075; 16.08; 16.081; 16.082; 16.083, subdivision 2; 16.086, subdivision 2; 16.09; 16.095; 16.096; 16.098, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 16.12; 16.125; 16.135; 16.139; 16.172; 16.21; 16.22; 16.23; 16.24; 16.243; 16.244; 16.251; 16.281; 16.32, subdivisions 1, 3, and 4; 16.34; 16.365; 16.381; 16.51; 16.52; 16.53; 16.54; 16.55; 16.56; 16.71; 16.72; 16.723; 16.73; 16.75, subdivisions 1, 2, 3, 4, 5, 6, and 8; 16.753, subdivisions 1, 2, 4, 5, and 6; 16.756; 16.76; 16.77; 16.78; 16.80; 16.81; 16.811; 16.82, subdivision 2; 16.821; 16.822; 16.823; 16.824; 16.825; 16.826; 16.827; 16.83; 16.84; 16.85; 16.851, subdivisions 1 and 2; 16.854; 16.86; 16.861, subdivisions 1, 2, 4, 5, 6, and 7; 16.862; 16.8632; 16.864; 16.865; 16.866, subdivision 2; 16.867; 16.868; 16.869; 16.871; 16.872, subdivisions 1, 2, and 3; 16.874; 16.88; 16.89; 16.90, subdivisions 1, 2, and 3; 16.931; 16.94; 16.95; 16.955; 16.96; and 16.97; and Minnesota Statutes 1983 Supplement, sections 16.02, subdivisions 10a, 14, 28, and 29; 16.072; 16.0721; 16.083, subdivisions 1, 1a, 3, 4, 4a, 4b, 5 and 6; 16.084; 16.085; 16.086, subdivision 1; 16.092; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.321; 16.75, subdivisions 7 and 9; 16.753, subdivision 3; 16.82, subdivision 1; 16.851, subdivision 3; 16.861, subdivision 3; 16.863; 16.866, subdivision 1; 16.872; 16.90, subdivision 4; 16.91; and 16.911.

The bill was read for the first time.

Coleman moved that S. F. No. 1408 and H. F. No. 1757, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1451, A bill for an act relating to commerce; including all liens on file in abstract by the county recorder; providing a lien for agricultural production inputs; establishing a procedure for priority and foreclosure requirements; amending Minnesota Statutes 1982, section 386.42; proposing new law coded in Minnesota Statutes, chapter 514.

The bill was read for the first time.

Anderson, B., moved that S. F. No. 1451 and H. F. No. 1601, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1492, A bill for an act relating to marriage dissolution; providing for determination and modification of child support; changing laws relating to docketing of judgments for support and maintenance; providing for withholding of support and maintenance from retirement and annuity benefits; providing for the vacating of liens of certain judgments; amending Minnesota Statutes 1982, sections 69.62; 257.66, by adding a subdivision; 353.15; 354.10; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.55; 548.13; and 548.17; and Minnesota Statutes 1983 Supplement, sections 256.87, by adding a subdivision; 352.15, subdivision 1; 352B.071; 354A.11; 424A.02, subdivision 6; 518.17, subdivision 5; 518.551, subdivisions 5 and 9; 518.611, subdivision 3; 518C.17, subdivision 1; and 548.09, subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, chapters 423A and 548; repealing Laws 1931, chapter 48, section 5; Laws 1935, chapter 192, section 4; Laws 1943, chapter 397, section 26; Laws 1945, chapter 74, section 5; Laws 1947, chapter 43, section 26; Laws 1949, chapters 87, section 29; 144, section 26; 378, section 26; and 406, section 7, subdivision 3, as amended; Laws 1953, chapters 91, section 12; 348, section 22; and 399, section 26; Laws 1955, chapters 75, section 27, as amended; 151, section 17; and 375, section 28; Laws 1959, chapter 131, section 22; Laws 1961, chapters 343, section 22, as amended; and 631, section 4; Laws 1963, chapters 443, section 22; and 643, section 23; Laws 1965, chapter 605, section 28; Laws 1971, chapter 51, section 14, subdivision 16; Laws 1973, chapter 432, section 7, subdivision 2; Laws 1974, chapter 382, section 7, subdivision 2; Laws 1977, chapter 374, section 15; and Laws 1982, chapter 610, section 18.

The bill was read for the first time.

Brandl moved that S. F. No. 1492 and H. F. No. 1554, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1561, A bill for an act relating to crimes; providing for forfeitures of conveyances, containers, weapons used, and contraband property when utilized in the commission of designated offenses; proposing new law coded in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Bishop moved that S. F. No. 1561 and H. F. No. 1285, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1842, A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1982, sections 624.7132, subdivision 16; and 624.717; proposing new law coded in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1982, section 624.718.

The bill was read for the first time.

Vanasek moved that S. F. No. 1842 and H. F. No. 1828, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

SPECIAL ORDERS, Continued

H. F. No. 1422 was reported to the House.

There being no objection H. F. No. 1422 was temporarily laid over on Special Orders.

H. F. No. 1679 was reported to the House.

There being no objection H. F. No. 1679 was continued on Special Orders for one day.

H. F. No. 1709 was reported to the House.

There being no objection H. F. No. 1709 was continued on Special Orders for one day.

H. F. No. 1749 was reported to the House.

There being no objection H. F. No. 1749 was temporarily laid over on Special Orders.

H. F. No. 1753, A bill for an act relating to the city of St. Cloud; giving the city the powers of a port authority.

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 99 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Gutknecht	Long	Peterson	Sparby
Anderson, G.	Halberg	Ludeman	Piepho	Staten
Bennett	Haukoos	Mann	Piper	Sviggum
Boo	Heap	Marsh	Price	Swanson
Brandl	Heinitz	McDonald	Quinn	Thiede
Brinkman	Himle	McEachern	Quist	Tomlinson
Burger	Hoffman	Metzen	Rice	Tunheim
Carlson, L.	Hokr	Minne	Rodriguez, C.	Valan
Clark, J.	Jacobs	Munger	Rodriguez, F.	Valento
Clawson	Jennings	Nelson, D.	St. Onge	Vellenga
Cohen	Jensen	Nelson, K.	Sarna	Voss
Dempsey	Johnson	Neuenschwander	Schafer	Waltman
Dimler	Kahn	Norton	Schoenfeld	Welch
Ellingson	Kalis	O'Connor	Schreiber	Welle
Evans	Kelly	Ogren	Seaberg	Wenzel
Findlay	Knickerbocker	Omann	Segal	Wigley
Fjoslien	Knuth	Onnen	Shaver	Wynia
Greenfield	Kostohryz	Osthoff	Sherman	Zaffke
Gruenes	Larsen	Otis	Simoneau	Speaker Sieben
Gustafson	Levi	Pauly	Skoglund	

Those who voted in the negative were:

Weiker

The bill was passed and its title agreed to.

H. F. No. 1771, A bill for an act relating to financial institutions; credit unions; providing for reciprocity between Minnesota credit unions and credit unions from states that have enacted similar laws; amending Minnesota Statutes 1982, section 52.03.

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 108 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cohen	Gutknecht	Kelly	Minne
Anderson, G.	Dempsey	Halberg	Knickerbocker	Munger
Battaglia	DenOuden	Haukoos	Knuth	Murphy
Begich	Dimler	Heap	Kostohryz	Nelson, D.
Bennett	Elioff	Heinitz	Larsen	Nelson, K.
Boo	Ellingson	Himle	Levi	Neuenschwander
Brandl	Erickson	Hoffman	Long	Norton
Brinkman	Evans	Jacobs	Ludeman	O'Connor
Burger	Findlay	Jennings	Mann	Ogren
Carlson, L.	Fjoslien	Jensen	Marsh	Omann
Clark, J.	Greenfield	Johnson	McDonald	Onnen
Clark, K.	Gruenes	Kahn	McKasy	Osthoff
Clawson	Gustafson	Kalis	Metzen	Otis

Pauly	Rodriguez, C.	Shaver	Thiede	Welker
Peterson	Rodriguez, F.	Shea	Tomlinson	Welle
Piepho	St. Onge	Sherman	Tunheim	Wenzel
Piper	Sarna	Simoneau	Uphus	Wigley
Price	Schafer	Skoglund	Valan	Wynia
Quinn	Schoenfeld	Solberg	Valento	Zaffke
Quist	Schreiber	Staten	Voss	Speaker Sieben
Rice	Seaberg	Svigum	Waltman	
Riveness	Segal	Swanson	Welch	

The bill was passed and its title agreed to.

H. F. No. 1749 which was temporarily laid over earlier today was again reported to the House.

Jennings moved to amend H. F. No. 1749, the second engrossment, as follows:

Page 1, line 19, after "Superior" insert "or south of the Minnesota River"

The motion did not prevail and the amendment was not adopted.

H. F. No. 1749, A bill for an act relating to game and fish; exempting hunters on licensed shooting preserves in the northern portion of the state from the requirement of a pheasant stamp; amending Minnesota Statutes 1983 Supplement, section 97.4843, subdivision 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 41 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Battaglia	Elioff	Neuenschwander	Segal	Tomlinson
Begich	Ellingson	Ogren	Shaver	Tunheim
Bergstrom	Graba	Olsen	Sherman	Valan
Boo	Gustafson	Otis	Simoneau	Vanasek
Carlson, L.	Hoffman	Price	Solberg	Wenzel
Clark, K.	Knickerbocker	Rodriguez, F.	Staten	Wynia
Cohen	Murphy	Rose	Swanson	Zaffke
Coleman	Nelson, D.	St. Onge	Thiede	Speaker Sieben
Eken				

Those who voted in the negative were:

Anderson, B.	Dempsey	Greenfield	Himle	Knuth
Anderson, G.	DenOuden	Gruenes	Hokr	Kostohryz
Beard	Dimler	Gutknecht	Jacobs	Krueger
Bennett	Erickson	Halberg	Jennings	Kvam
Brandl	Findlay	Haukoos	Jensen	Larsen
Brinkman	Fjoslien	Heap	Johnson	Levi
Clawson	Forsythe	Heinitz	Kalis	Ludeman

Mann	Omann	Reif	Schoenfeld	Valento
Marsh	Onnen	Riveness	Seaberg	Voss
McDonald	Pauly	Rodosovich	Shea	Waltman
McEachern	Peterson	Rodriguez, C.	Skoglund	Welker
McKasy	Piepho	Sarna	Sviggum	Welle
Munger	Piper	Schafer	Uphus	Wigley
O'Connor	Quist			

The bill was not passed.

H. F. No. 1422 which was temporarily laid over earlier today was again reported to the House.

CALL OF THE HOUSE

On the motion of Simoneau and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Findlay	Kostohryz	Pauly	Simoneau
Anderson, C.	Fjoslien	Krueger	Peterson	Skoglund
Beard	Forsythe	Kvam	Piepho	Solberg
Begich	Graba	Larsen	Piper	Sparby
Bennett	Greenfield	Levi	Price	Staten
Bergstrom	Gruenes	Long	Quist	Sviggum
Bishop	Gutknecht	Ludeman	Redalen	Swanson
Blatz	Halberg	Mann	Reif	Thiede
Boo	Haukoos	Marsh	Riveness	Tunheim
Brandl	Heap	McDonald	Rodosovich	Uphus
Brinkman	Heinitz	McKasy	Rodriguez, C.	Valan
Burger	Himle	Metzen	Rose	Vanasek
Clark, J.	Hoffman	Munger	Sarna	Vellenga
Clark, K.	Hokr	Nelson, D.	Schafer	Voss
Cohen	Jacobs	Nelson, K.	Scheid	Waltman
Coleman	Jennings	Neuenschwander	Schoenfeld	Welker
DenOuden	Jensen	O'Connor	Schreiber	Welle
Dimler	Johnson	Olsen	Seaberg	Wenzel
Eken	Kahn	Omann	Segal	Wigley
Elioff	Kelly	Onnen	Shaver	Zaffke
Ellingson	Knickerbocker	Osthoff	Shea	Speaker Sieben
Erickson	Knuth	Otis	Sherman	

Simoneau moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 1422, A bill for an act relating to corporations; regulating corporate take-overs; requiring certain disclosures; providing certain limitations on offerors; prescribing suspension powers of the commissioner; providing a hearing; regulating control share acquisitions of Minnesota business corporations; defining terms; prescribing penalties; amending Minnesota Statutes 1982, sections 80B.01; 80B.03, subdivisions 1, 2, and 5, and by adding subdivisions; 80B.05; 80B.06; 80B.07; 80B.08; 80B.10; 302A.011, by adding subdivisions; 302A.449, by adding a subdivision; 302A.461, subdivision 4; proposing new law coded

in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1982, sections 80B.02; 80B.03, subdivisions 3 and 4; and 80B.12, subdivisions 1 and 3.

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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 75 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Larsen	Otis	Shea
Anderson, G.	Elioff	Long	Pauly	Simoneau
Battaglia	Ellingson	Mann	Peterson	Skoglund
Beard	Graba	Marsh	Piper	Solberg
Begich	Greenfield	McEachern	Price	Staten
Bergstrom	Gruenes	Metzen	Quinn	Swanson
Blatz	Gustafson	Minne	Riveness	Tomlinson
Brandl	Himle	Munger	Rodosovich	Tunheim
Brinkman	Hoffman	Murphy	Rodriguez, C.	Vanasek
Carlson, L.	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Clark, J.	Jensen	Nelson, K.	Rose	Voss
Clark, K.	Kelly	Norton	St. Onge	Welle
Cohen	Knuth	O'Connor	Sarna	Wenzel
Coleman	Kostolryz	Ogren	Scheid	Wynia
Dempsey	Krueger	Osthoff	Schoenfeld	Speaker Sieben

Those who voted in the negative were:

Bennett	Forsythe	Knickerbocker	Piepho	Sviggum
Bishop	Frerichs	Kvam	Quist	Thiede
Boo	Halberg	Levi	Redalen	Uphus
Burger	Haukoos	Ludeman	Reif	Valan
DenOuden	Heap	McDonald	Schafer	Valento
Erickson	Heinitz	McKasy	Schreiber	Waltman
Evans	Hokr	Olsen	Seaberg	Welker
Findlay	Jennings	Omann	Shaver	Wigley
Fjoslien	Johnson	Onnen	Sherman	Zaffke

The bill was passed and its title agreed to.

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be added to Special Orders pending for today, April 17, 1984:

H. F. Nos. 467, 29, 158 and 1557, S. F. No. 1807, H. F. Nos. 2063, 1401, 1903, 1949 and 1991, S. F. No. 1977, H. F. Nos. 2182, 229, 994, 1203, 1386, 1452 and 1561; and S. F. Nos. 1931, 1477, 1867, 1891, 1986, 2168, 1563, 1853, 1258, 1112 and 1398.

SPECIAL ORDERS

H. F. No. 467 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sarna moved that the rule therein be suspended and an urgency be declared so that H. F. No. 467 be given its third reading and be placed upon its final passage. The motion prevailed.

Sarna moved that the rules of the House be so far suspended that H. F. No. 467 be given its third reading and be placed upon its final passage. The motion prevailed.

Welker moved to amend H. F. No. 467, as amended by the Committee on Appropriations, as follows:

Page 34, line 6, delete "85" insert "90"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 15 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DenOuden	Himle	Quist	Uphus
Boo	Frerichs	Ludeman	Schafer	Welker
Burger	Gutknecht	McDonald	Thiede	Zaffke

Those who voted in the negative were:

Anderson, B.	Begich	Bishop	Brinkman	Clark, J.
Battaglia	Bennett	Blatz	Carlson, D.	Clark, K.
Beard	Bergstrom	Brandl	Carlson, L.	Clawson

Cohen	Hokr	Minne	Redalen	Staten
Coleman	Jacobs	Munger	Rice	Sviggum
Dempsey	Jennings	Murphy	Riveness	Swanson
Dimler	Jensen	Nelson, D.	Rodosovich	Tomlinson
Eken	Johnson	Nelson, K.	Rodriguez, C.	Tunheim
Elioff	Kalis	Neuenschwander	Rodriguez, F.	Valan
Ellingson	Kelly	Norton	Rose	Valento
Erickson	Knickerbocker	O'Connor	St. Onge	Vanasek
Evans	Knuth	Ogren	Sarna	Vellenga
Findlay	Kostohryz	Olsen	Scheid	Voss
Fjoslien	Krueger	Omann	Schoenfeld	Waltman
Forsythe	Kvam	Onnen	Schreiber	Welch
Graba	Larsen	Osthoff	Seaberg	Welle
Greenfield	Levi	Otis	Segal	Wenzel
Gruenes	Long	Pauly	Shaver	Wigley
Gustafson	Mann	Peterson	Sherman	Speaker Sieben
Halberg	Marsh	Piepho	Simoneau	
Heap	McEachern	Piper	Skoglund	
Heinitz	McKasy	Price	Solberg	
Hoffman	Metzen	Quinn	Sparby	

The motion did not prevail and the amendment was not adopted.

H. F. No. 467, A bill for an act relating to retirement; making various changes in benefits, contributions, and financing in laws governing various public pension funds; guaranteeing public pensions; directing reimbursement or credit of certain public pension contributions; appropriating funds; amending Minnesota Statutes 1982, sections 3.85, by adding subdivisions; 3A.02, subdivision 3; 3A.02, subdivision 1b; 3A.03, subdivision 1; 352.04, subdivisions 2 and 3; 352.113, subdivision 3; 352.115, subdivision 1; 352.116, subdivision 1; 352.12, subdivision 2; 352.92; 352.93, subdivisions 2 and 3; 352.95, subdivision 1a; 352C.031, subdivision 2; 352C.09, subdivision 1; 353.27, subdivisions 2 and 3a; 353.30, subdivision 1c; 353.31, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 2; 353.651, subdivision 3; 354.42, subdivision 5; 354.44, subdivision 6; 354.46, subdivisions 1 and 2; 354.48, subdivisions 2 and 3a; 354.62, subdivision 5; 354A.23, by adding a subdivision; 354A.31, subdivision 6; 356.20, subdivision 4; 356.215, subdivision 4; 490.124, subdivision 3; Minnesota Statutes 1983 Supplement, sections 352.113, subdivision 2; 352.115, subdivision 8; 352B.02, subdivision 1; and Laws 1983, chapter 301, section 225, subdivision 1, and by adding a subdivision; chapter 314, article 12, section 1, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 3A, and 356; and repealing Minnesota Statutes 1982, sections 352.022; 353.38; and 354.07, subdivision 8; and Laws 1983, chapter 301, section 225, subdivision 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.

Minne moved that those not voting be excused from voting.
The motion prevailed.

There were 123 yeas and 6 nays as follows :

Those who voted in the affirmative were :

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

Those who voted in the negative were :

DenOuden	Himle	Kvam	Ludeman	Welker
Frerichs				

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

Minne moved that the call of the House be dispensed with.
The motion prevailed and it was so ordered.

H. F. No. 29 was reported to the House.

Schoenfeld moved to amend H. F. No. 29, the first engrossment, as follows :

Page 1, line 11, after "*legislature*," delete the balance of the line

Page 1, line 12, delete "*been made*,"

Page 1, line 23, delete "*1993*" and insert "*1987*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 13 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Blatz	Gruenes	Heinitz	Marsh	Schoenfeld
Burger	Gustafson	Jennings	Pauly	Waltman
Cohen	Heap	Johnson		

Those who voted in the negative were:

Anderson, B.	Fjoslien	Mann	Quinn	Staten
Anderson, G.	Forsythe	McDonald	Quist	Swanson
Battaglia	Frerichs	McEachern	Redalen	Thiede
Beard	Graba	Metzen	Rice	Tomlinson
Begich	Greenfield	Minne	Rodosovich	Tunheim
Bennett	Gutknecht	Munger	Rodriguez, F.	Uphus
Bergstrom	Haukoos	Murphy	Rose	Valan
Bishop	Himle	Neuenschwander	St. Onge	Valento
Brandl	Hoffman	Norton	Sarna	Vellenga
Brinkman	Hokr	O'Connor	Schafer	Voss
Clark, J.	Jacobs	Ogren	Scheid	Welker
Coleman	Jensen	Olsen	Schreiber	Welle
Dempsey	Kalis	Omann	Seaberg	Wenzel
DenOuden	Kelly	Onnen	Segal	Wigley
Dimler	Knickerbocker	Osthoff	Shea	Wynia
Elioff	Knuth	Otis	Sherman	Speaker Sieben
Ellingson	Kostohryz	Peterson	Simoneau	
Erickson	Krueger	Piepho	Skoglund	
Evans	Kvam	Piper	Solberg	
Findlay	Larsen	Price	Sparby	

The motion did not prevail and the amendment was not adopted.

Cohen moved to amend H. F. No. 29, the first engrossment, as follows:

Page 1, line 12, delete "56" and insert "48"

Page 1, line 13, delete "112" and insert "96"

Page 1, line 18, delete "56" and insert "48"

Page 1, line 19, delete "112" and insert "96"

The motion did not prevail and the amendment was not adopted.

Halberg was excused between the hours of 5:15 p.m. and 6:15 p.m.

Onnen moved to amend H. F. No. 29, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENTS PROPOSED.]

Subdivision 1. [PROPOSAL TO PEOPLE.] An amendment to the Minnesota Constitution is proposed to the people as provided by subdivisions 2 to 7.

Subd. 2. [AMENDMENTS TO ARTICLE IV.] If the amendment is adopted, article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26, will read as follows:

Section 1. The legislature consists of the senate (AND HOUSE OF REPRESENTATIVES).

Sec. 2. The number of members who compose the senate (AND HOUSE OF REPRESENTATIVES) shall be prescribed by law. The representation (IN BOTH HOUSES) shall be apportioned equally throughout the different sections of the state in proportion to the population thereof.

Sec. 3. At its first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. (NO REPRESENTATIVE DISTRICT SHALL BE DIVIDED IN THE FORMATION OF A SENATE DISTRICT.) The (SENATE) districts shall be numbered in a regular series.

Sec. 4. (REPRESENTATIVES SHALL BE CHOSEN FOR A TERM OF TWO YEARS, EXCEPT TO FILL A VACANCY.) Senators shall be chosen for a term of four years, except to fill a vacancy (AND EXCEPT). There shall be an (ENTIRE NEW) election of all (THE) senators at the first general election (OF REPRESENTATIVES) after each new legislative apportionment provided for in this article. *After the election following reapportionment, the legislature shall determine by lot whether members elected from odd or even numbered districts shall serve two or four year terms.* The governor shall call elections to fill vacancies in (EITHER HOUSE OF) the legislature.

Sec. 5. No senator (OR REPRESENTATIVE) shall hold any other office under the authority of the United States or the state of Minnesota, except that of postmaster or of notary public. If elected or appointed to another office, a legislator may resign from the legislature by tendering his resignation to the governor.

Sec. 6. Senators (AND REPRESENTATIVES) shall be qualified voters of the state, and shall have resided one year in the state and six months immediately preceding the election in the

district from which elected. (EACH HOUSE) *The legislature* shall be the judge of the election returns and eligibility of its own members. The legislature shall prescribe by law the manner for taking evidence in cases of contested seats (IN EITHER HOUSE).

Sec. 7. (EACH HOUSE) *The legislature* may determine the rules of its proceedings, sit upon its own adjournment, punish its members for disorderly behavior, and with the concurrence of two-thirds expel a member; but no member shall be expelled a second time for the same offense.

Sec. 9. The compensation of senators (AND REPRESENTATIVES) shall be prescribed by law. No increase of compensation shall take effect during the period for which the members of the existing (HOUSE OF REPRESENTATIVES) *legislature* may have been elected.

Sec. 10. The members of (EACH HOUSE) *the legislature* in all cases except treason, felony and breach of the peace, shall be privileged from arrest during the session of (THEIR RESPECTIVE HOUSES) *the legislature* and in going to or returning from the same. For any speech or debate in (EITHER HOUSE) *the legislature* they shall not be questioned in any other place.

Sec. 11. Two or more members of (EITHER HOUSE) *the legislature* may dissent and protest against any act or resolution which they think injurious to the public or to any individual and have the reason of their dissent entered in the journal.

Sec. 12. The legislature shall meet at the seat of government in regular session in each biennium at the times prescribed by law for not exceeding a total of 120 legislative days. The legislature shall not meet in regular session, nor in any adjournment thereof, after the first Monday following the third Saturday in May of any year. After meeting at a time prescribed by law, the legislature may adjourn to another time. "Legislative day" shall be defined by law. A special session of the legislature may be called by the governor on extraordinary occasions.

(NEITHER HOUSE DURING A SESSION OF THE LEGISLATURE SHALL ADJOURN FOR MORE THAN THREE DAYS (SUNDAYS EXCEPTED) NOR TO ANY OTHER PLACE THAN THAT IN WHICH THE TWO HOUSES SHALL BE ASSEMBLED WITHOUT THE CONSENT OF THE OTHER HOUSE.)

Sec. 13. A majority of (EACH HOUSE) *the legislature* constitutes a quorum to transact business, but a smaller number may adjourn from day to day and compel the attendance of absent members in the manner and under the penalties it may provide.

Sec. 14. (EACH HOUSE) *The legislature* shall be open to the public during its sessions except in cases which in its opinion require secrecy.

Sec. 15. (EACH HOUSE) *The legislature* shall elect its presiding officer and other officers as may be provided by law. (BOTH HOUSES) *The legislature* shall keep journals of (THEIR) *its* proceedings, and from time to time publish the same, and the yeas and nays, when taken on any question, shall be entered in the journals.

(SEC. 18. ALL BILLS FOR RAISING REVENUE SHALL ORIGINATE IN THE HOUSE OF REPRESENTATIVES, BUT THE SENATE MAY PROPOSE AND CONCUR WITH THE AMENDMENTS AS ON OTHER BILLS.)

Sec. 19. Every bill shall be reported on three different days in (EACH HOUSE) *legislature*, unless, in case of urgency, two-thirds of the (HOUSE WHERE THE BILL IS PENDING DEEM) *legislature deems* it expedient to dispense with this rule.

Sec. 20. Every bill passed (BY BOTH HOUSES) shall be enrolled and signed by the presiding officer (OF EACH HOUSE). Any presiding officer refusing to sign a bill passed (BY BOTH HOUSES) shall thereafter be disqualified from any office of honor or profit in the state. (EACH HOUSE) *The legislature* by rule shall provide the manner in which a bill shall be certified for presentation to the governor in case of such refusal.

Sec. 21. No bill shall be passed (BY EITHER HOUSE) upon the day prescribed for adjournment. This section shall not preclude the enrollment of a bill or its transmittal (FROM ONE HOUSE TO THE OTHER OR) to the executive for his signature.

Sec. 22. The style of all laws of this state shall be: "Be it enacted by the legislature of the state of Minnesota." No law shall be passed unless voted for by a majority of all the members elected to (EACH HOUSE OF) the legislature, and the vote entered in the journal (OF EACH HOUSE).

Sec. 23. Every bill passed in conformity to the rules (OF EACH HOUSE AND THE JOINT RULES OF THE TWO HOUSES) shall be presented to the governor. If he approves a bill, he shall sign it, deposit it in the office of the secretary of state and notify the (HOUSE IN WHICH IT ORIGINATED) *legislature* of that fact. If he vetoes a bill, he shall return it with his objections to the (HOUSE IN WHICH IT ORIGINATED) *legislature*. His objections shall be entered in the journal. If, after reconsideration, two-thirds of (THAT HOUSE) *the legislature* agree to pass the bill, (IT SHALL BE SENT, TOGETHER

WITH THE GOVERNOR'S OBJECTIONS, TO THE OTHER HOUSE, WHICH SHALL LIKEWISE RECONSIDER IT. IF APPROVED BY TWO-THIRDS OF THAT HOUSE) it becomes a law and shall be deposited in the office of the secretary of state. In such cases the votes (OF BOTH HOUSES) shall be determined by yeas and nays, and the names of the persons voting for or against the bill shall be entered in the journal (OF EACH HOUSE). Any bill not returned by the governor within three days (Sundays excepted) after it is presented to him becomes a law as if he had signed it, unless the legislature by adjournment within that time prevents its return. Any bill passed during the last three days of a session may be presented to the governor during the three days following the day of final adjournment and becomes law if the governor signs and deposits it in the office of the secretary of state within 14 days after the adjournment of the legislature. Any bill passed during the last three days of the session which is not signed and deposited within 14 days after adjournment does not become a law.

If a bill presented to the governor contains several items of appropriation of money, he may veto one or more of the items while approving the bill. At the time he signs the bill the governor shall append to it a statement of the items he vetoes and the vetoed items shall not take effect. If the legislature is in session, he shall transmit to (THE HOUSE IN WHICH THE BILL ORIGINATED) *it*, a copy of the statement, and the items vetoed shall be separately reconsidered. If on reconsideration any item is approved by two-thirds of the members (ELECTED TO EACH HOUSE), it is a part of the law notwithstanding the objections of the governor.

Sec. 24. Each order, resolution or vote (REQUIRING THE CONCURRENCE OF THE TWO HOUSES) except such as relate to the business or adjournment of the legislature shall be presented to the governor and is subject to his veto as prescribed in case of a bill.

Sec. 25. During a session (EACH HOUSE) *the legislature* may punish by imprisonment for not more than 24 hours any person not a member who is guilty of any disorderly or contemptuous behavior in its presence.

Sec. 26. Passage of a general banking law requires the vote of two-thirds of the members (OF EACH HOUSE OF THE LEGISLATURE).

Subd. 3. [AMENDMENTS TO ARTICLE IX.] If the amendment is approved, article IX, sections 1 and 2, will read as follows:

Section 1. A majority of the members elected to (EACH HOUSE OF) the legislature may propose amendments to this

constitution. Proposed amendments shall be published with the laws passed at the same session and submitted to the people for their approval or rejection at a general election. If a majority of all the electors voting at the election vote to ratify an amendment, it becomes a part of this constitution. If two or more amendments are submitted at the same time, voters shall vote for or against each separately.

Sec. 2. Two-thirds of the members elected to (EACH HOUSE OF) the legislature may submit to the electors at the next general election the question of calling a convention to revise this constitution. If a majority of all the electors voting at the election vote for a convention, the legislature at its next session, shall provide by law for calling the convention. The convention shall consist of as many delegates as there are members of the house of representatives. Delegates shall be chosen in the same manner as members of the house of representatives and shall meet within three months after their election. Section 5 of Article IV of the constitution does not apply to election to the convention.

Subd. 4. [AMENDMENT TO ARTICLE XI.] If the amendment is approved, article XI, section 5, will read as follows:

Sec. 5. Public debt may be contracted and works of internal improvements carried on for the following purposes:

(a) to acquire and to better public land and buildings and other public improvements of a capital nature and to provide money to be appropriated or loaned to any agency or political subdivision of the state for such purposes if the law authorizing the debt is adopted by the vote of at least three-fifths of the members of (EACH HOUSE OF) the legislature;

(b) to repel invasion or suppress insurrection;

(c) to borrow temporarily as authorized in section 6;

(d) to refund outstanding bonds of the state or any of its agencies whether or not the full faith and credit of the state has been pledged for the payment of the bonds;

(e) to establish and maintain highways subject to the limitations of article XIV;

(f) to promote forestation and prevent and abate forest fires, including the compulsory clearing and improving of wild lands whether public or private;

(g) to construct, improve and operate airports and other air navigation facilities;

(h) to develop the state's agricultural resources by extending credit on real estate security in the manner and on the terms and conditions prescribed by law;

(i) to improve and rehabilitate railroad rights-of-way and other rail facilities whether public or private, provided that bonds issued and unpaid shall not at any time exceed \$200,000,000 par value; and

(j) as otherwise authorized in this constitution.

As authorized by law political subdivisions may engage in the works permitted by (f), (g), and (i) and contract debt therefor.

Subd. 5. [EFFECTIVE DATE.] If the amendment proposed is adopted, it is effective January 1, 1993.

Sec. 2. [BALLOT PROPOSITION.]

The proposed amendment shall be submitted to the people at the 1984 general election. The question proposed shall be:

"Shall the Minnesota Constitution be amended to provide after 1993 for a legislature of one chamber called a senate elected for staggered four year terms?"

Yes

No

All election procedures shall be as otherwise provided by law."

Delete the title and insert:

"A bill for an act proposing an amendment to the Minnesota Constitution, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing for a unicameral legislature."

A roll call was requested and properly seconded.

Schoenfeld moved to amend the Onnen amendment to H. F. No. 29, the first engrossment, as follows:

Strike the reference "senate" throughout the bill and insert "assembly"

Strike the reference "Senators" throughout the bill and insert "assembly person"

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Onnen amendment and the roll was called. There were 35 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cruenes	McKasy	Reif	Thiede
Blatz	Haukoos	Ogren	Rice	Uphus
Boo	Hoffman	Olsen	Rose	Valento
Burger	Johnson	Onnen	Schafer	Waltman
DenOuden	Knuth	Pauly	Schoenfeld	Welker
Dimler	Marsh	Piepho	Shaver	Welle
Findlay	McDonald	Quinn	Shea	Zaffke

Those who voted in the negative were:

Anderson, G.	Ellingson	Krueger	Otis	Solberg
Battaglia	Erickson	Kvam	Peterson	Sparby
Beard	Forsythe	Larsen	Piper	Staten
Begich	Freichs	Long	Price	Swanson
Bennett	Graba	Ludeman	Quist	Tomlinson
Bergstrom	Greenfield	Mann	Redalen	Tunheim
Bishop	Gustafson	McEachern	Riveness	Valan
Brandl	Gutknecht	Metzen	Rodosovich	Vanasek
Brinkman	Heap	Minne	Rodriguez, C.	Vellenga
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Voss
Clark, J.	Himle	Murphy	St. Onge	Wenzel
Clark, K.	Jacobs	Nelson, D.	Sarna	Wigley
Clawson	Jennings	Nelson, K.	Scheid	Wynia
Cohen	Jensen	Neuenschwander	Schreiber	Speaker Sieben
Coleman	Kahn	Norton	Seaberg	
Dempsey	Kelly	O'Connor	Segal	
Eken	Knickerbocker	Omann	Simoneau	
Elioff	Kostohryz	Osthoff	Skoglund	

The motion did not prevail and the amendment was not adopted.

H. F. No. 29, A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1983 Supplement, sections 2.021 and 2.031, subdivision 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 93 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Blatz	Burger	Cohen
Anderson, G.	Begich	Boo	Carlson, D.	Dempsey
Anderson, R.	Bennett	Brandl	Carlson, L.	Dimler
Battaglia	Bergstrom	Brinkman	Clawson	Elioff

Ellingson	Jensen	Minne	Quinn	Swigum
Forsythe	Johnson	Nelson, D.	Reif	Swanson
Frerichs	Kalis	Nelson, K.	Rice	Thiede
Graba	Kelly	Neuenschwander	Riveness	Valento
Gruenes	Knickerbocker	Norton	Rodriguez, C.	Vanasek
Gustafson	Knuth	Olsen	Rodriguez, F.	Vellenga
Gutknecht	Kostohryz	Omann	Rose	Waltman
Haukoos	Krueger	Onnen	Sarna	Welch
Heap	Larsen	Osthoff	Scheid	Welle
Heinitz	Levi	Otis	Schreiber	Wenzel
Himle	Marsh	Pauly	Seaberg	Wynia
Hoffman	McDonald	Peterson	Segal	Zaffke
Hokr	McEachern	Piepho	Shaver	Speaker Sieben
Jacobs	McKasy	Piper	Simoneau	
Jennings	Metzen	Price	Solberg	

Those who voted in the negative were:

Bishop	Findlay	Munger	Schafer	Tunheim
Clark, J.	Fjoslien	Murphy	Schoenfeld	Uphus
Clark, K.	Greenfield	O'Connor	Shea	Valan
Coleman	Kahn	Ogren	Sherman	Voss
DenOuden	Kvam	Quist	Skoglund	Welker
Eken	Long	Redalen	Sparby	Wigley
Erickson	Ludeman	Rodosovich	Staten	
Evans	Mann	St. Onge	Tomlinson	

The bill was passed and its title agreed to.

H. F. No. 158 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Osthoff moved that the rule therein be suspended and an urgency be declared so that H. F. No. 158 be given its third reading and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Osthoff motion and the roll was called. There were 63 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Peterson	Simoneau
Anderson, G.	Ellingson	Krueger	Piepho	Solberg
Anderson, R.	Evans	Mann	Piper	Staten
Battaglia	Graba	McEachern	Price	Swanson
Beard	Gruenes	Metzen	Quinn	Tomlinson
Begich	Gustafson	Minne	Reif	Valan
Bennett	Heinitz	Murphy	Riveness	Vanasek
Bergstrom	Hoffman	Nelson, D.	Rodosovich	Vellenga
Brinkman	Jacobs	O'Connor	Rodriguez, F.	Welch
Clark, K.	Jensen	Ogren	St. Onge	Wenzel
Cohen	Kalis	Omann	Sarna	Speaker Sieben
Dempsey	Kelly	Osthoff	Scheid	
Eken	Knuth	Otis	Schoenfeld	

Those who voted in the negative were:

Boo	Forsythe	Levi	Rodriguez, C.	Waltman
Brandl	Frerichs	Long	Rose	Welker
Burger	Greenfield	Ludeman	Schafer	Welle
Clawson	Gutknecht	Marsh	Seaberg	Wigley
Coleman	Haukoos	McDonald	Shaver	Wynia
DenOuden	Himle	Norton	Shea	Zaffke
Dimler	Jennings	Onnen	Sherman	
Erickson	Kahn	Quist	Sviggum	
Findlay	Knickerbocker	Redalen	Thiede	
Fjoslien	Kvam	Rice	Valento	

The motion did not prevail.

H. F. No. 1557 was reported to the House.

McEachern moved that H. F. No. 1557 be continued on Special Orders for one day. The motion prevailed.

The Speaker called Wynia to the Chair.

H. F. No. 1401, A bill for an act relating to workers' compensation; providing coverage for ambulance drivers and attendants; amending Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Tunheim
Uphus
Valan

Valento
Vanasek
Vellenga

Waltman
Welch
Welker

Welle
Wenzel
Wigley

Wynia
Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 1903 was reported to the House.

Rice moved to amend H. F. No. 1903, as follows:

Page 2, after line 31, insert:

"Sec. 2. Minnesota Statutes 1982, section 472A.06, is amended to read:

472A.06 [ISSUANCE OF BONDS.]

(a) The governing body of the municipality, may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto in accordance with sections 475.51, 475.53, 475.54, 475.55, 475.56, 475.60, 475.61, 475.62, 475.63, 475.65, 475.66, 475.69, 475.70, 475.71. All tax increments received by the municipality pursuant to section 472A.08 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt. Bonds shall not be issued under this (SECTION) paragraph subsequent to August 1, 1979.

(b) *A municipality may authorize, issue and sell bonds under section 273.77, clause (c), to refund the principal of and interest on bonds, originally issued to finance a development district, in order to relieve the municipality of restrictions on the application of tax increments. The refunding bonds shall not be subject to the conditions set out in section 475.67, subdivision 12. Tax increments received by the municipality with respect to the district may be used to pay the principal of and interest on the refunding bonds and to pay premiums for insurance or other security guaranteeing the payment of their principal and interest when due. If consistent with the pledges to the holders of the refunding bonds, excess tax increments may be applied*

(1) *in any manner permitted by section 273.75, subdivision 2,*

(2) *to pay the costs of other public improvements within the municipality, or*

(3) *to pay the principal of or interest on any other obligations of the municipality payable in whole or in part from tax increments."*

Renumber the sections in order

Amend the title as follows:

Page 1, line 2, after "government;" insert "permitting refunding of certain bonds;"

Page 1, line 4, delete "section 472A.03" and insert "sections 472A.03; and 472A.06"

The motion prevailed and the amendment was adopted.

H. F. No. 1903, A bill for an act relating to local government; permitting refunding of certain bonds; clarifying powers of municipalities with respect to sale of air rights; amending Minnesota Statutes 1982, sections 472A.03; and 472A.06.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Battaglia	Ellingson	Mann	Peterson	Sparby
Beard	Greenfield	McEachern	Piper	Staten
Begich	Gustafson	Metzen	Price	Swanson
Bergstrom	Hoffman	Minne	Quinn	Tomlinson
Boo	Jacobs	Munger	Rice	Tunheim
Brandl	Jensen	Murphy	Riveness	Vanasek
Brinkman	Kahn	Nelson, D.	Rodosovich	Vellenga
Carlson, L.	Kalis	Nelson, K.	Rodriguez, F.	Voss
Clark, J.	Kelly	Neuenschwander	St. Onge	Welle
Clark, K.	Knuth	Norton	Sarna	Wenzel
Clawson	Kostobryz	O'Connor	Scheid	Wynia
Cohen	Krueger	Ogren	Simoneau	Speaker Sieben
Coleman	Larsen	Osthoff	Skoglund	
Elloff	Long	Otis	Solberg	

Those who voted in the negative were:

Anderson, B.	Fjoslien	Knickerbocker	Quist	Sviggum
Anderson, G.	Forsythe	Kvam	Redalen	Thiede
Bennett	Frerichs	Levi	Reif	Uphus
Bishop	Cruenes	Ludeman	Rose	Valan
Blatz	Cutknecht	Marsh	Schafer	Valento
Burger	Haukoos	McDonald	Schoenfeld	Waltman
Dempsey	Heap	McKasy	Schreiber	Welker
DenOuden	Hcinitz	Omann	Seaberg	Wigley
Dimler	Himle	Onnen	Shaver	Zaffke
Erickson	Jennings	Pauly	Shea	
Findlay	Johnson	Piepho	Sherman	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1949, A bill for an act relating to insurance; automobile; requiring a premium reduction for certain persons who complete an accident prevention course; proposing new law coded in Minnesota Statutes, chapter 65B.

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 103 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Larsen	Otis	Shea
Anderson, G.	Fjoslien	Levi	Pauly	Sherman
Battaglia	Forsythe	Long	Peterson	Simoneau
Beard	Greenfield	Mann	Piepho	Skoglund
Begich	Gruenes	Marsh	Piper	Solberg
Bennett	Gustafson	McEachern	Price	Sparby
Bergstrom	Gutknecht	McKasy	Quinn	Staten
Bishop	Heap	Metzen	Quist	Swanson
Blatz	Heinitz	Minne	Redalen	Tomlinson
Boo	Himle	Munger	Reit	Tunheim
Brinkman	Hokr	Murphy	Riveness	Valan
Burger	Jacobs	Nelson, D.	Rodosovich	Valento
Carlson, L.	Jennings	Nelson, K.	Rodriguez, C.	Waltman
Clark, J.	Jensen	Neuenschwander	Rodriguez, F.	Welch
Clark, K.	Johnson	Norton	Rose	Welle
Clawson	Kalis	O'Connor	St. Onge	Wenzel
Cohen	Knickerbocker	Ogren	Schoenfeld	Wigley
Coleman	Knuth	Olsen	Schreiber	Wynia
Dempsey	Kostohryz	Omamn	Seaberg	Speaker Sieben
Dimler	Krueger	Onnen	Segal	
Elioff	Kvam	Osthoff	Shaver	

Those who voted in the negative were:

Brandl	Findlay	Ludeman	Svigum	Welker
DenOuden	Frerichs	McDonald	Thiede	Zaffke
Erickson	Hankoo	Schafer	Uphus	

The bill was passed and its title agreed to.

H. F. No. 1991 was reported to the House.

EXCUSED FROM VOTING

Pursuant to rule 2.5, Rodosovich requested that he be excused from voting on H. F. No. 1991 and all amendments offered to H. F. No. 1991. The request was granted.

Knuth offered an amendment to H. F. No. 1991, the first engrossment.

A roll call was requested and properly seconded.

Thiede requested a division of the Knuth amendment.

The first portion of the Knuth amendment to H. F. No. 1991, the first engrossment, reads as follows:

Page 9, delete section 10 and insert:

"Sec. 10. Minnesota Statutes 1983 Supplement, section 309.501, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

"Registered combined charitable organization" means an organization

(1) which is tax exempt under section 501(c)3 of the Internal Revenue Code of 1954, as amended through December 31, 1980 (hereinafter "Internal Revenue Code"), and to which contributions are deductible under section 170 of the Internal Revenue Code;

(2) which secures funds for distribution to ten or more charitable agencies in a single, annual consolidated effort;

(3) which is governed by a voluntary board of directors which represents the broad interests of the public;

(4) which distributes at least 70 percent of its total (COLLECTED) *campaign* income and revenue to the designated agencies it supports and expends no more than 30 percent of its total *campaign* income and revenue for management and general costs and fund raising costs;

(5) and each designated agency supported by the recipient institution devotes substantially all of its activities directly to providing health, welfare, social, or other human services to individuals;

(6) and each designated agency supported by the recipient institution provides health, welfare, social, or other human services, in the community and surrounding area in which the recipient institution's fund drive takes place; and

(7) which has been registered with the commissioner of securities and real estate in the department of commerce in accordance with this section.

"*Campaign income*" means income from the single, annual consolidated effort received by the charitable agency for distribution.

"Charitable agency" means a governmental agency or an organization (1) which is tax exempt under section 501(c)3 of the Internal Revenue Code; (2) to which contributions are deductible under section 170 of the Internal Revenue Code; and (3) which is in compliance with the provisions of this chapter."

Amend the title as follows:

Page 1, line 14, delete "and"

Page 1, line 14, after "6" insert "and; 309.501, subdivision 1"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Knuth amendment to H. F. No. 1991, the first engrossment, and the roll was called. There were 68 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Larsen	Piper	Sparby
Anderson, G.	Eken	Long	Price	Staten
Battaglia	Elioff	Mann	Quinn	Swanson
Beard	Graba	Metzen	Rice	Tomlinson
Begich	Greenfield	Minne	Riveness	Tunheim
Bergstrom	Hokr	Munger	Rodriguez, C.	Vanasek
Boo	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Brandl	Jensen	Nelson, K.	St. Onge	Voss
Brinkman	Kahn	Neuenschwander	Scheid	Welch
Carlson, L.	Kalis	Norton	Seaberg	Wenzel
Clark, J.	Kelly	O'Connor	Segal	Wynia
Clark, K.	Knuth	Osthoff	Simoneau	Speaker Sieben
Clawson	Kostohryz	Otis	Skoglund	
Cohen	Krueger	Peterson	Solberg	

Those who voted in the negative were:

Bennett	Fjoslien	Jennings	Pauly	Uphus
Blatz	Forsythe	Johnson	Piepho	Valento
Burger	Frerichs	Kvam	Quist	Waltman
Dempsey	Gruenes	Ludeman	Reif	Welker
DenOuden	Gutknecht	Marsh	Schreiber	Wigley
Dimler	Haukoos	McDonald	Shaver	Zaffke
Erickson	Heap	Olsen	Sherman	
Evans	Heinitz	Omann	Sviggunm	
Findlay	Himle	Onnen	Thiede	

The motion prevailed and the first portion of the Knuth amendment was adopted.

The second portion of the Knuth amendment to H. F. No. 1991, the first engrossment, as amended, reads as follows:

"Sec. 11. Minnesota Statutes 1982, section 15.62, subdivision 2, is amended to read:

Subd. 2. A public employee who qualifies as a member of the United States *Olympic* team for athletic competition (ON THE WORLD, PAN AMERICAN OR OLYMPIC LEVEL, IN A SPORT CONTESTED IN EITHER PAN AMERICAN OR OLYMPIC COMPETITIONS) *in a sport sanctioned by the International Olympic Committee*, shall be granted a leave of absence without loss of pay or other benefits or rights for the purpose of preparing for and engaging in the competition. In no event shall the paid leave under this section exceed the period of the official *Olympic* training camp and *Olympic* competition combined or 90 calendar days (A) *in an Olympic year*, which-ever is less."

The question was taken on the second portion of the Knuth amendment to H. F. No. 1991, the first engrossment, as amended, and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the second portion of the Knuth amendment was adopted.

H. F. No. 1991, A bill for an act relating to government operations; regulating public employee leave of absences; providing for task force member's compensation; providing for civil service exams for handicapped persons; authorizing the commissioner of employee relations to negotiate insurance premium rates; providing for appeals of disciplinary actions; providing for unclassified positions; amending Minnesota Statutes 1982, sections 15.014, subdivision 2; 15.0593; 15.62, subdivision 2; 43A.08, subdivision 1; 43A.33, subdivisions 1 and 3; Minnesota

Statutes 1983 Supplement, sections 43A.08, subdivision 1a; 43A.10, subdivision 8; 43A.23, subdivision 1; 116L.03, subdivision 6; and 309.501, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Krueger	Osthoff	Skoglund
Anderson, G.	Ellingson	Larsen	Otis	Solberg
Battaglia	Evans	Levi	Peterson	Sparby
Beard	Findlay	Long	Piper	Staten
Begich	Fjoslien	Ludeman	Price	Swiggum
Bennett	Frerichs	Mann	Quinn	Swanson
Bergstrom	Graba	Marsh	Quist	Tomlinson
Bishop	Greenfield	McDonald	Rice	Tunheim
Blatz	Gustafson	McEachern	Riveness	Uphus
Boo	Gutknecht	McKasy	Rodriguez, C.	Valan
Brandl	Heap	Metzen	Rodriguez, F.	Valento
Brinkman	Himle	Minne	Rose	Vanasek
Burger	Hokr	Munger	St. Onge	Vellenga
Carlson, L.	Jacobs	Murphy	Sarna	Voss
Clark, J.	Jensen	Nelson, D.	Scheid	Waltman
Clark, K.	Johnson	Nelson, K.	Schoenfeld	Welch
Clawson	Kahn	Neuenschwander	Seaberg	Wenzel
Cohen	Kalis	Norton	Segal	Wynia
Coleman	Kelly	O'Connor	Shaver	Zaffke
DenOuden	Knickerbocker	Ogren	Shea	Speaker Sieben
Dimler	Knuth	Olsen	Sherman	
Eken	Kostohryz	Omann	Simoneau	

Those who voted in the negative were:

Dempsey	Haukoos	Piepho	Schreiber	Welle
Erickson	Heinitz	Reif	Thiede	Wigley
Forsythe	Onnen	Schafer	Welker	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2182 was reported to the House.

Wenzel moved to amend H. F. No. 2182, the first engrossment, as follows:

Page 4, after line 2, insert:

"Sec. 6. Minnesota Statutes 1982, section 325E.06, subdivision 1, is amended to read:

Subdivision 1. [OBLIGATION TO REPURCHASE.] Whenever any person, firm, or corporation engaged in the business of selling and retailing farm implements and repair parts for farm implements enters into a written contract, sales agree-

ment or security agreement whereby the retailer agrees with any wholesaler, manufacturer, or distributor of farm implements, machinery, attachments or repair parts to maintain a stock of parts or complete or whole machines, or attachments, and thereafter the written contract, sales agreement or security agreement is terminated, cancelled or discontinued, then the wholesaler, manufacturer, or distributor shall pay to the retailer or credit to the retailer's account, if the retailer has outstanding any sums owing the wholesaler, manufacturer, or distributor, unless the retailer should desire and has a contractual right to keep such merchandise, a sum equal to 100 percent of the net cost of all current unused complete farm implements, machinery and attachments in new condition which have been purchased by the retailer from the wholesaler, manufacturer or distributor within the 24 months immediately preceding notification by either party of intent to cancel or discontinue the contract, including transportation charges which have been paid by the retailer, or invoiced to retailer's account by the wholesaler, manufacturer or distributor and 80 percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs in use by the wholesaler, manufacturer or distributor on the date of cancellation or discontinuance of the contract, which parts had previously been purchased by the retailer from the wholesaler, manufacturer, or distributor and are held by the retailer on the date of the cancellation or discontinuance of the contract or thereafter received by the retailer from the wholesaler, manufacturer or distributor. The wholesaler, manufacturer, or distributor shall also pay the retailer or credit to his account a sum equal to five percent of the current net price of all parts returned for the handling, packing, and loading of the parts back to the wholesaler, manufacturer, or distributor unless the wholesaler, manufacturer or distributor elects to perform inventorying, packing and loading of the parts itself. Upon the payment or allowance of credit to the retailer's account of the sum required by this subdivision, the title to the farm implements, farm machinery, attachments or repair parts shall pass to the manufacturer, wholesaler or distributor making the payment or allowing the credit and the manufacturer, wholesaler or distributor shall be entitled to the possession of the farm implements, machinery, attachments or repair parts. However, this section shall not in any way affect any security interest which the wholesaler, manufacturer or distributor may have in the inventory of the retailer.

Payment required under this subdivision must be made to the retailer by the tenth day of the month following the month in which the retailer returned the farm implements, farm machinery, attachments, and repair parts.

If payment is not made within this period, interest at the same rate the wholesaler, manufacturer, or distributor charges on its overdue accounts will be applied to this payment beginning 30 days after due date specified."

Renumber the sections accordingly

Page 6, after line 31, insert a section to read:

"Sec. 10. [EFFECTIVE DATE.]

Section 6 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "providing for payment to a farm implement retailer by the manufacturer, wholesaler, or distributor who repurchases inventory; requiring the payment of interest on overdue accounts;"

Page 1, line 8, after "31A.08;" insert "325E.06, subdivision 1;"

The motion prevailed and the amendment was adopted.

MOTION FOR RECONSIDERATION

Jennings moved that the vote whereby the Wenzel amendment to H. F. No. 2182, the first engrossment, was adopted be now reconsidered. The motion prevailed.

Wenzel withdrew his first amendment to H. F. No. 2182.

Wenzel moved to amend H. F. No. 2182, the first engrossment, as follows:

Page 4, after line 2 insert:

"Sec. 6. Minnesota Statutes 1983 Supplement, section 32.417, is amended to read:

32.417 [INVESTMENT REIMBURSEMENTS TO MANUFACTURED MILK PRODUCERS.]

An operator of a dairy farm that produces milk for sale in cans may apply for a reimbursement in the amount of \$100 for the first \$500 or fraction thereof, and ten percent of the next \$2,000, of the net expenditures by the operator for any capital improvements or equipment installed primarily for the purpose of conforming to the standards adopted in section 32.415. No reimbursement may be made to an applicant unless:

(a) the applicant provides receipts for the expenditures;

(b) a dairy inspector authorized by the commissioner certifies that the applicant's dairy operation complies with the

standards adopted in section 32.415 as a result of the installation of the improvements or equipment; and

(c) the expenditures for the improvements and equipment were made on or after the effective date of this section but before July 1, 1985.

The commissioner shall provide (AN) *to the operator of each dairy farm that produces milk for sale in cans a simple application form for the reimbursement (PROGRAM) provided by this section.* (BY JANUARY 1, 1984, THE COMMISSIONER SHALL ADOPT TEMPORARY RULES UNDER SECTIONS 14.29 TO 14.36 WHICH PROVIDE REIMBURSEMENT APPLICATION AND PAYMENT PROCEDURES, AND ELIGIBILITY CRITERIA BASED ON AN APPLICANT'S NEED FOR A REIMBURSEMENT. NOT WITHSTANDING THE PROVISIONS OF SECTION 14.35, THE RULES SHALL BE EFFECTIVE UNTIL JULY 1, 1985. NO REIMBURSEMENT APPLICATION MAY BE APPROVED AFTER JUNE 30, 1985.) *The department shall accept applications for the investment reimbursement program until April 30, 1985.*

Sec. 7. Minnesota Statutes 1982, section 41.56, subdivision 3, is amended to read:

Subd. 3. [DEFAULT, FILING CLAIM.] Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the applicant stating that the commissioner must be notified if the default continues for 180 days, and the consequences of that default. The lender and the applicant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

In cases where the participant cannot meet scheduled loan payments due to circumstances of a unique or temporary nature and the participant provides sufficient evidence to the commissioner that sufficient cash flow can be generated in the future to fully meet all needs, the commissioner may utilize funds in the special account created in section 41.61, subdivision 1, to meet the participant's loan obligation for no more than two consecutive years. These funds must be paid back to the fund within five years with interest charged at the rate of four percent below the prevailing Federal Land Bank rates.

After 180 days from the initial default, if the applicant has not made arrangements to meet his obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the

applicant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, he shall authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert "refining procedures and deadlines for investment reimbursement; authorizing the commissioner to use certain funds for short-term loans to help participants meet their family farm security loan obligations;"

Page 1, line 8, after "31A.08;" insert "41.56, subdivision 3;"

Page 1, line 10, after "subdivision 2;" insert "32.417;"

The motion prevailed and the amendment was adopted.

Carlson, L., and Wenzel moved to amend H. F. No. 2182, the first engrossment, as amended, as follows:

Page 4, after line 2, insert

"Sec. 8. Minnesota Statutes 1982, section 231.01, subdivision 5, is amended to read:

Subd. 5. [WAREHOUSEMAN.] The term "warehouseman," as used in this chapter, means and includes every corporation, company, association, joint stock company or association, firm, partnership, or individual, their trustees, assignees, or receivers appointed by any court, controlling, operating, or managing within this state directly or indirectly, any building or structure, or any part thereof, or any buildings or structures, or any other property, and using the same for the storage or warehousing of goods, wares, or merchandise for compensation, or who shall hold himself out as being in the storage for compensation, but shall not include persons, corporations, or other parties operating grain or cold storage warehouses, or storing on a seasonal basis boats, boating accessories, recreational vehicles or recreational equipment or facilities in which the party storing goods rents and occupies space as a tenant and the entire risk of loss is with the tenant pursuant to written contract between the landlord and tenant. *The term "warehouseman" does not include persons, cor-*

porations, or other parties who provide storage of business records or computer tapes when other services are provided including processing, printing or transporting."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, after the semicolon insert "exempting certain corporations and persons from the definition of warehouseman;"

Page 1, line 8, after "31A.08;" insert "231.01, subdivision 5;"

The motion prevailed and the amendment was adopted.

Nelson, D., moved to amend H. F. No. 2182, the first engrossment, as amended, as follows:

Page 4, after line 2, insert:

"Sec. 9. Minnesota Statutes 1983 Supplement, section 38.02, subdivision 1, is amended to read:

Subdivision 1. [PRO RATA DISTRIBUTION; CONDITIONS.] (1) Money appropriated to aid county and district agricultural societies and associations shall be distributed among all county and district agricultural societies or associations in the state pro rata, upon condition that each of them has complied with the conditions specified in clause (2).

(2) To be eligible to participate in such distribution, each such agricultural society or association (a) shall have held an annual fair for each of the three years last past, unless prevented from doing so because of a calamity or an epidemic declared by the local board of health or the state commissioner of health to exist; (b) shall have an annual membership of 25 or more; (c) shall have paid out to exhibitors for premiums awarded at the last fair held a sum not less than the amount to be received from the state; (d) shall have published and distributed not less than three weeks before the opening day of the fair a premium list, listing all items or articles on which premiums are offered and the amounts of such premiums and shall have paid premiums pursuant to the amount shown for each article or item to be exhibited; provided that premiums for school exhibits may be advertised in the published premium list by reference to a school premium list prepared and circulated during the preceding school year; and shall have collected all fees charged for entering an exhibit at the time the entry was made and in accordance with schedule of entry fees to be charged as published in the premium list; (e) shall have paid not more than one premium on each article or item exhibited, excluding championship or sweep-

stake awards, and excluding the payment of open class premium awards to 4H Club exhibits which at this same fair had won a first prize award in regular 4H Club competition; (f) shall have submitted its records and annual report to the commissioner of agriculture on a form provided by the commissioner of agriculture, on or before the first day of (DECEMBER) *November* of the current year.

(3) All payments authorized under the provisions of this chapter shall be made only upon the presentation by the commissioner of agriculture with the commissioner of finance of a statement of premium allocations. As used herein the term premium shall mean the cash award paid to an exhibitor for the merit of an exhibit of livestock, livestock products, grains, fruits, flowers, vegetables, articles of domestic science, handicrafts, hobbies, fine arts, and articles made by school pupils, or the cash award paid to the merit winner of events such as 4H Club or Future Farmer Contest, Youth Group Contests, school spelling contests and school current events contests, the award corresponding to the amount offered in the advertised premium list referred to in schedule 2. Payments of awards for horse races, ball games, musical contests, talent contests, parades, and for amusement features for which admission is charged, are specifically excluded from consideration as premiums within the meaning of that term as used herein. Upon receipt of the statement by the commissioner of agriculture, it shall be the duty of the commissioner of finance to draw his voucher in favor of the agricultural society or association for the amount to which it is entitled under the provisions of this chapter, which amount shall be computed as follows: On the first \$750 premiums paid by each society or association, such society or association shall receive 100 percent reimbursement; on the second \$750 premiums paid, 80 percent; on the third \$750 premiums paid, 60 percent; and on any sum in excess of \$2,250, 40 percent.

(4) If the total amount of state aid to which the agricultural societies and associations are entitled under the provisions of this chapter exceeds the amount of the appropriation therefor, the amounts to which the societies or associations are entitled shall be pro rated so that the total payments by the state will not exceed the appropriation.

Sec. 10. Minnesota Statutes 1983 Supplement, section 38.02, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION, COMMISSIONER OF AGRICULTURE.] Any county or district agricultural society which has held its second annual fair is entitled to share pro rata in the distribution. The commissioner of agriculture shall certify to the secretary of the state agricultural society, within 30 days after payments have been made, a list of all county or district agricultural societies that have complied with this chapter, and which

are entitled to share in the appropriation. All payments shall be made (WITHIN THREE MONTHS AFTER THE AGRICULTURAL SOCIETIES SUBMITTED THEIR REPORTS UNDER SUBDIVISION 1, CLAUSE (2) (F)) *on or before December 20 of the year in which the fair is held or within 30 days after all societies have submitted their annual report to the commissioner of agriculture, whichever is later.*"

Renumber subsequent sections accordingly

Further, amend the title as follows:

Page 1, line 10, after the semicolon insert "38.02, subdivisions 1 and 3;"

The motion prevailed and the amendment was adopted.

Shea offered an amendment to H. F. No. 2182, the first engrossment, as amended.

POINT OF ORDER

Metzen raised a point of order pursuant to rule 3.10 that the amendment was not in order. The Speaker Pro tem Wynia ruled the point of order well taken and the amendment out of order.

H. F. No. 2182, A bill for an act relating to agriculture; changing certain duties of the commissioner; exempting certain corporations and persons from the definition of warehouseman; changing certain reporting requirements concerning agricultural land ownership; refining procedures and deadlines for investment reimbursement; authorizing the commissioner to use certain funds for short-term loans to help participants to meet their family farm security loan obligations; exempting the family farm security program from certain loan commitment approval requirements; amending Minnesota Statutes 1982, sections 21.118; 29.27; 31.11; 31A.08; 38.02, subdivisions 1 and 3; 41.56, subdivision 3; 231.01; 500.221, subdivision 2a; 500.24, subdivision 4; and Minnesota Statutes 1983 Supplement, sections 16A.80, subdivision 2; 32.417; and 500.221, subdivision 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 92 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Brinkman	Clark, K.	Dempsey
Anderson, G.	Bishop	Carlson, D.	Clawson	Eken
Battaglia	Blatz	Carlson, L.	Cohen	Elioff
Beard	Brandl	Clark, J.	Coleman	Ellingson

Erickson	Krueger	Ogren	St. Onge	Tomlinson
Findlay	Kvam	Olsen	Sarna	Tunheim
Fjoslien	Larsen	Omann	Schafer	Uphus
Graba	Long	Onnen	Scheid	Valan
Greenfield	Mann	Osthoff	Schoenfeld	Vanasek
Gustafson	McEachern	Otis	Seaberg	Vellenga
Haukoos	McKasy	Pauly	Segal	Waltman
Heap	Metzen	Peterson	Shaver	Welch
Jensen	Minne	Piper	Simoneau	Welle
Johnson	Munger	Price	Skoglund	Wenzel
Kahn	Murphy	Quinn	Solberg	Wynia
Kalis	Nelson, D.	Reif	Sparby	Speaker Sieben
Kelly	Nelson, K.	Rice	Staten	
Knickerbocker	Neuenschwander	Rodosovich	Sviggum	
Kostohryz	Norton	Rodriguez, F.	Swanson	

Those who voted in the negative were:

Bennett	Gruenes	Levi	Quist	Valento
DenOuden	Gutknecht	Ludeman	Rose	Welker
Dimler	Halberg	Marsh	Schreiber	Wigley
Forsythe	Heinitz	Piepho	Shea	Zaffke
Frerichs	Jennings			

The bill was passed, as amended, and its title agreed to.

H. F. No. 229 was reported to the House.

Swanson moved to amend H. F. No. 229, the second engrossment, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1982, section 13.42, subdivision 2, is amended to read:

Subd. 2. [PUBLIC HOSPITALS; DIRECTORY INFORMATION.] If a person is a patient in a hospital operated by a state agency or political subdivision pursuant to legal commitment, directory information is public data. If a person is a patient other than pursuant to commitment in a hospital controlled by a state agency or political subdivision, directory information is public data unless the patient requests otherwise, in which case it is private data on individuals.

Directory information about an emergency patient who is unable to communicate which is public under this subdivision shall not be released until a reasonable effort is made to notify the next of kin. Although an individual has requested that directory information be private, the hospital (MAY) *shall, subject to the restrictions imposed by section 254A.09, release directory information, upon written request, to a law enforcement agency pursuant to a lawful investigation pertaining to that individual.*"

Sec. 2. Minnesota Statutes 1982, section 144.335, is amended to read:

144.335 [ACCESS TO HEALTH RECORDS AND DIRECTORY INFORMATION.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(a) "Patient" means a natural person who has received health care services from a provider for treatment of a medical, psychiatric or mental condition, or a person he designates in writing as his representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, "patient" includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapters 147, 148, 150A, 151 or 153; and (2) a health care facility licensed pursuant to chapters 144 or 144A.

(c) "Directory information" means the name of the patient, date admitted, general condition, and date released.

Subd. 2. [PATIENT ACCESS.] Upon request a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

Upon a patient's written request, a provider at a reasonable cost to the patient shall furnish to the patient: (a) copies of the patient's health record, including but not limited to laboratory reports, x-rays, prescriptions, and other technical information used in assessing the patient's health condition; (b) the pertinent portion of the record relating to a specific condition; or (c) a summary of the record.

If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to harm himself or another, he may withhold the information from the patient. The information may be supplied to an appropriate third party or to another provider, as defined in subdivision 1, clause (b) (1). The provider or third party may release the information to the patient.

Subd. 3. [PROVIDER TRANSFERS AND LOANS.] A patient's health record, including but not limited to, laboratory reports, x-rays, prescriptions, and other technical information

used in assessing the patient's condition, or the pertinent portion of the record relating to a specific condition, or a summary of the record, shall be furnished to another provider upon the written request of the patient. The written request shall specify the name of the provider to whom the health record is to be furnished. The provider who furnishes the health record or summary may retain a copy of the materials furnished. The patient shall be responsible for the reasonable costs of furnishing the information.

Subd. 3a. [DISCLOSURE OF DIRECTORY INFORMATION.] Providers defined in subdivision 1, clause (b)(2) who are not public hospitals as described in section 13.42, subdivision 2, shall not release directory information without consent of the patient, except as provided in this subdivision. Directory information which relates to an emergency patient who is unable to communicate, shall not be released until a reasonable effort is made to notify the next of kin. Although an individual has requested that directory information be private, the provider shall, subject to the restrictions imposed by section 254A.09, release directory information, upon written request, to a law enforcement agency pursuant to a lawful investigation pertaining to that individual.

Subd. 4. [ADDITIONAL PATIENT RIGHTS.] The rights set forth in this section are in addition to the rights set forth in sections 144.651 and 144.652 and any other provision of law relating to the access of a patient to his health records.

Page 2, after line 11, insert:

Sec. 4. Minnesota Statutes 1982, section 254A.09, is amended to read:

254A.09 [CONFIDENTIALITY OF RECORDS.]

Subdivision 1. [CONFIDENTIALITY REQUIRED.] The department of public welfare shall assure confidentiality to individuals who are the subject of research by the state authority or treatment by an approved treatment program. The commissioner shall withhold from all persons not connected with the conduct of the research or treatment the names or other identifying characteristics of the individual unless the individual gives written permission that information relative to his treatment and recovery may be discussed with a prospective employer by either an approved treatment program staff member or a qualified employment counselor. Persons authorized to protect the privacy of these individuals may not be compelled in any federal, state or local, civil, criminal, administrative or other proceeding to identify or disclose other confidential information about the individuals. However, a person may be compelled to identify or disclose confidential information in civil investigations or proceedings related to neglect or termination of parental rights if the

court determines good cause exists to believe that the person can disclose information that is relevant to the findings which the court is being asked to make. In determining whether to compel disclosure, the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the treatment relationship, and to the treatment services if disclosure occurs.

Subd. 2. [DISCLOSURE PERMITTED.] The presence of any in-patient in a medical facility or resident in a residential facility for the treatment of drug or alcohol abuse may be disclosed to callers and visitors with the in-patient's or resident's written consent. Without the consent, the presence of any in-patient or resident in a facility for the treatment of a variety of conditions may be disclosed to a law enforcement agency pursuant to a lawful investigation pertaining to that individual, if the disclosure does not indicate that the patient is being treated for drug or alcohol abuse."

Renumber sections

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring disclosure of certain medical data or medical information for purposes of a lawful investigation;"

Page 1, line 3, after "amending" insert "Minnesota Statutes 1982, sections 13.42, subdivision 2; 144.335; 254A.09; and"

The motion prevailed and the amendment was adopted.

H. F. No. 229, A bill for an act relating to health; allowing any interested person to seek enforcement of certain patient rights; requiring disclosure of certain medical data or medical information for purposes of a lawful investigation; amending Minnesota Statutes 1982, sections 13.42, subdivision 2; 144.335; 254A.09; and Minnesota Statutes 1983 Supplement, section 144.651, subdivision 1.

The bill was read for the third time, as amended, 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 6 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brandl	Clark, K.	Dimler
Anderson, G.	Bergstrom	Brinkman	Clawson	Eken
Battaglia	Bishop	Carlson, D.	Cohen	Eloff
Beard	Blatz	Carlson, L.	Coleman	Ellingson
Begich	Boo	Clark, J.	DenOuden	Erickson

Evans	Kelly	Nelson, D.	Riveness	Staten
Fjoslien	Knickerbocker	Nelson, K.	Rodosovich	Sviggum
Frerichs	Knuth	Neuenschwander	Rodriguez, C.	Swanson
Graba	Kostohryz	Norton	Rodriguez, F.	Thiede
Greenfield	Krueger	O'Connor	Rose	Tomlinson
Gruenes	Kvam	Ogren	St. Onge	Uphus
Gustafson	Larsen	Omann	Sarna	Valan
Gutknecht	Long	Onnen	Schafer	Valento
Halberg	Ludeman	Osthoff	Scheid	Vanasek
Haukoos	Mann	Otis	Schoenfeld	Vellenga
Heap	Marsh	Peterson	Seaberg	Voss
Heinitz	McDonald	Piper	Segal	Waltman
Hoffman	McEachern	Price	Shaver	Welch
Jacobs	McKasy	Quinn	Shea	Wenzel
Jensen	Metzen	Quist	Simoneau	Wynia
Johnson	Minne	Redalen	Skoglund	Speaker Sieben
Kahn	Munger	Reif	Solberg	
Kalis	Murphy	Rice	Sparby	

Those who voted in the negative were:

Dempsey	Olsen	Piepho	Welker	Wigley
Jennings				

The bill was passed, as amended, and its title agreed to.

H. F. No. 994 was reported to the House.

Coleman moved to amend H. F. No. 994, the first engrossment, as follows:

Page 4, line 2, after "*given*" insert "*effect*"

The motion prevailed and the amendment was adopted.

H. F. No. 994, A bill for an act relating to mediation; providing for mediation of disputes; amending Minnesota Statutes 1982, section 595.02; proposing new law coded in Minnesota Statutes, chapter 572.

The bill was read for the third time, as amended, 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.	Brandl	Dempsey	Forsythe	Heinitz
Anderson, C.	Brinkman	DenOuden	Frerichs	Himle
Battaglia	Burger	Dimler	Graba	Hoffman
Beard	Carlson, D.	Eken	Greenfield	Hokr
Begich	Carlson, L.	Elioff	Gruenes	Jacobs
Bennett	Clark, J.	Ellingson	Gustafson	Jennings
Bergstrom	Clark, K.	Erickson	Gutknecht	Jensen
Bishop	Clawson	Evans	Halberg	Johnson
Blatz	Cohen	Findlay	Haukoos	Kahn
Boo	Coleman	Fjoslien	Heap	Kalis

Kelly	Minne	Piepho	Scheid	Valan
Knickerbocker	Munger	Piper	Schoenfeld	Valento
Knuth	Murphy	Price	Schreiber	Vanasek
Kostohryz	Nelson, D.	Quinn	Segal	Vellenga
Krueger	Nelson, K.	Quist	Shaver	Voss
Kvam	Neuenschwander	Redalen	Shea	Waltman
Larsen	Norton	Reif	Simoneau	Welch
Levi	O'Connor	Rice	Skoglund	Welker
Long	Ogren	Riveness	Sparby	Wenzel
Ludeman	Olsen	Rodosovich	Staten	Wigley
Mann	Omann	Rodriguez, C.	Sviggum	Wynia
Marsh	Onnen	Rodriguez, F.	Swanson	Speaker Sieben
McDonald	Osthoff	Rose	Thiede	
McEachern	Otis	St. Onge	Tomlinson	
McKasy	Pauly	Sarna	Tunheim	
Metzen	Peterson	Schafer	Uphus	

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the chair.

H. F. No. 1203 was reported to the House.

There being no objection H. F. No. 1203 was temporarily laid over on Special Orders.

H. F. No. 1386 was reported to the House.

Levi and Reif moved to amend H. F. No. 1386, the first engrossment, as follows:

Page 6, after line 6, insert:

"Sec. 8. [609.3471] [RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.]

Notwithstanding any provision of law to the contrary, none of the records or reports relating to complaints or indictments issued pursuant to sections 609.342, clauses (a) or (b); 609.343, clauses (a) or (b); 609.344, clauses (a) or (b); 609.345, clauses (a) or (b); or 609.3641 to 609.3644, pertaining to the identity of the victim shall be open to public inspection, except by order of the court.

Sec. 9. Minnesota Statutes 1983 Supplement, section 626.-556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by a person responsible for the child's care, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any

act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means a parent, guardian, teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting *whether paid or unpaid*, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (i) mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (ii) impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter or medical care, a duty to provide that care.

(d) "Physical abuse" means:

(i) Any physical injury inflicted by a person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the child's history of injuries.

(e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanatorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245.782.

(h) "Commissioner" means the commissioner of public welfare."

Renumber the remaining section

Correct internal references

Amend the title as follows:

Page 1, line 2, delete "the juvenile court" and insert "children"

Page 1, line 3, after "the" insert "juvenile"

Page 1, line 4, after the semicolon, insert: "prohibiting public inspection of certain court records relating to the identity of criminal sexual conduct victims; clarifying a term in the child abuse reporting law;"

Page 1, line 7, after the semicolon, insert "Minnesota Statutes 1983 Supplement, section 626.556, subdivision 2;"

Page 1, line 8, delete "chapter" and insert "chapters" and after "260" insert "and 609"

The motion prevailed and the amendment was adopted.

H. F. No. 1386, A bill for an act relating to children; authorizing intervention by the juvenile court to protect children from abuse committed by family or household members; prohibiting public inspection of certain court records relating to the identity of criminal sexual conduct victims; clarifying a term in the child abuse reporting law; amending Minnesota Statutes 1982, sections 260.015, by adding subdivisions; 260.111, by adding a subdivision; and 260.191, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 626.556, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 260 and 609.

The bill was read for the third time, as amended, 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.	Carlson, L.	Fjoslien	Hokr	Levi
Anderson, G.	Clark, J.	Forsythe	Jacobs	Long
Battaglia	Clark, K.	Frerichs	Jennings	Ludeman
Beard	Clawson	Graba	Jensen	Mann
Begich	Cohen	Greenfield	Johnson	Marsh
Bennett	Coleman	Gruenes	Kahn	McDonald
Bergstrom	Dempsey	Gustafson	Kalis	McKasy
Bishop	DenOuden	Gutknecht	Kelly	Minne
Blatz	Dimler	Halberg	Knickerbocker	Munger
Boo	Elioff	Haukoos	Knuth	Murphy
Brandl	Ellingson	Heap	Kostohryz	Nelson, D.
Brinkman	Erickson	Heinitz	Krueger	Nelson, K.
Burger	Evans	Himle	Kvam	Neuenschwander
Carlson, D.	Findlay	Hoffman	Larsen	Norton

O'Connor	Quinn	Schafer	Sparby	Waltman
Ogren	Quist	Scheid	Staten	Welch
Olsen	Redalen	Schoenfeld	Sviggum	Welker
Omann	Reif	Schreiber	Swanson	Welle
Onnen	Rice	Seaberg	Thiede	Wenzel
Osthoff	Riveness	Segal	Tomlinson	Wigley
Otis	Rodosovich	Shaver	Tunheim	Wynia
Pauly	Rodriguez, C.	Shea	Uphus	Speaker Sieben
Peterson	Rodriguez, F.	Sherman	Valan	
Piepho	Rose	Simoneau	Valento	
Piper	St. Onge	Skoglund	Vellenga	
Price	Sarna	Solberg	Voss	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1452 was reported to the House.

Quinn moved that H. F. No. 1452 be returned to its author. The motion prevailed.

H. F. No. 1561 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Swanson moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1561 be given its third reading and be placed upon its final passage. The motion prevailed.

Swanson moved that the rules of the House be so far suspended that H. F. No. 1561 be given its third reading and be placed upon its final passage. The motion prevailed.

Swanson moved to amend H. F. No. 1561, as amended, by the Committee on Appropriations, as follows:

Page 8, line 31, delete "*Underwriting*"

Page 8, delete lines 32 to 36

The motion prevailed and the amendment was adopted.

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 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 organiza-

tions 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 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.

The bill was read for the third time, as amended, 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 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ludeman	Onnen	Thiede	Welker
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The bill was passed, as amended, and its title agreed to.

S. F. No. 1931 was reported to the House.

Cohen moved that S. F. No. 1931 be continued on Special Orders for one day. The motion prevailed.

Staten was excused for the remainder of today's session.

S. F. No. 1477, A bill for an act relating to workers' compensation; clarifying the law concerning ridesharing; providing for miscellaneous changes in the workers' compensation process; amending Minnesota Statutes 1982, sections 176.135, by adding a subdivision; 176.231, subdivision 1; 176.241, subdivisions 1 and 3, and by adding subdivisions; 176.271, subdivision 2; 176.351, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 79.34, subdivision 1; 176.041, subdivision 1; 176.101, subdivisions 3a, 3b, 3e, 3g, 3i, 3j, 3l, 3m, 3o, 3q, 3r, and 3t; 176.102, subdivisions 3a and 9; 176.103, subdivision 3, and by adding a subdivision; 176.104, subdivisions 1 and 2; 176.129, subdivisions 3, 4, and by adding a subdivision; 176.135, subdivision 1; 176.136; 176.138; 176.183, subdivision 1; 176.221, subdivisions 1, 3, and by adding a subdivision; 176.231, subdivision 9; 176.241, subdivision 2; 176.242, subdivisions 1, 2, 6, and 8; 176.243, subdivision 3; 176.361; 176.421, subdivision 7; 176.442; 176.66, subdivisions 10 and 11; 176.83; 176.85, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1982, sections 79.22, subdivision 2; and Minnesota Statutes 1983 Supplement, sections 147.02, subdivision 4; 176.051, subdivisions 2, 3, and 4; and 176.129, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dempsey	Himle	Mann	Pauly
Anderson, G.	DenOuden	Hoffman	Marsh	Peterson
Battaglia	Dimler	Hokr	McDonald	Piepho
Beard	Eken	Jacobs	McEachern	Piper
Begich	Elioff	Jennings	McKasy	Price
Bennett	Ellingson	Jensen	Metzen	Quinn
Bergstrom	Erickson	Johnson	Minne	Quist
Bishop	Evans	Kahn	Munger	Reif
Blatz	Findlay	Kalis	Nelson, D.	Rice
Boo	Fjoslien	Kelly	Nelson, K.	Riveness
Brandl	Forsythe	Knickerbocker	Neuenschwander	Rodosovich
Brinkman	Graba	Knuth	Norton	Rodriguez, C.
Burger	Greenfield	Kostohryz	O'Connor	Rodriguez, F.
Carlson, L.	Gruenes	Krueger	Ogren	Rose
Clark, J.	Gutknecht	Kvam	Olsen	St. Onge
Clark, K.	Halberg	Larsen	Omann	Sarna
Clawson	Haukoos	Levi	Onnen	Schafer
Cohen	Heap	Long	Osthoff	Scheid
Coleman	Heinitz	Ludeman	Otis	Schoenfeld

Schreiber	Simoneau	Thiede	Vellenga	Wenzel
Seaberg	Skoglund	Tomlinson	Voss	Wigley
Segal	Solberg	Tunheim	Waltman	Wynia
Shaver	Sparby	Valan	Welch	Zaffke
Shea	Sviggum	Valento	Welker	Speaker Sieben
Sherman	Swanson	Vanasek	Welle	

The bill was passed and its title agreed to.

S. F. No. 1867, A bill for an act relating to occupations and professions; authorizing the board to accept foreign pharmacy graduates for examination as pharmacists; amending Minnesota Statutes 1982, section 151.10.

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

The bill was passed and its title agreed to.

S. F. No. 1891, A bill for an act relating to public employees; providing standards for certain disciplinary actions; amending Minnesota Statutes 1982, section 43A.33, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1986, A bill for an act relating to public employment labor relations; recodifying the public employment labor relations act; proposing new law coded as Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1982, sections 179.61 to 179.76, as amended.

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.	Burger	Elioff	Heap	Kostohryz
Anderson, G.	Carlson, D.	Ellingson	Hoffman	Krueger
Battaglia	Carlson, L.	Erickson	Hokr	Kvam
Beard	Clark, J.	Findlay	Jacobs	Larsen
Begich	Clark, K.	Fjoslien	Jennings	Levi
Bennett	Clawson	Forsythe	Jensen	Long
Bergstrom	Cohen	Frerichs	Johnson	Ludeman
Bishop	Coleman	Greenfield	Kahn	Mann
Blatz	Dempsey	Gruenes	Kalis	McDonald
Boo	DenOuden	Gutknecht	Kelly	McEachern
Brandl	Dimler	Halberg	Knickerbocker	McKasy
Brinkman	Eken	Haukoos	Knuth	Metzen

Minne	Otis	Rodriguez, F.	Simoneau	Vellenga
Munger	Pauly	Rose	Skoglund	Voss
Murphy	Peterson	St. Onge	Solberg	Waltman
Nelson, D.	Piepho	Sarna	Sparby	Welch
Nelson, K.	Piper	Schafer	Svigum	Welker
Neuenschwander	Price	Scheid	Swanson	Welle
Norton	Quinn	Schoenfeld	Thiede	Wenzel
O'Connor	Quist	Schreiber	Tomlinson	Wigley
Ogren	Reif	Seaberg	Tunheim	Wynia
Olsen	Rice	Segal	Uphus	Zaffke
Omamn	Riveness	Shaver	Valan	Speaker Sieben
Onnen	Rodosovich	Shea	Valento	
Osthoff	Rodriguez, C.	Sherman	Vanasek	

The bill was passed and its title agreed to.

S. F. No. 2168 was reported to the House.

Begich and Fjoslien moved to amend S. F. No. 2168, as follows:

Page 1, line 21, delete the new language

The motion prevailed and the amendment was adopted.

Begich moved to amend S. F. No. 2168, as amended, as follows:

Page 1, line 16, after "*vehicle*" insert "*traveling on interstate freeways*"

The motion prevailed and the amendment was adopted.

S. F. No. 2168, A bill for an act relating to transportation; highways; requiring certain loads of firewood to be securely covered or fastened; amending Minnesota Statutes 1982, section 169.81, subdivision 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Battaglia	Cohen	Jensen	Murphy	Piper
Beard	Coleman	Kalis	Nelson, D.	Price
Begich	Eken	Knuth	Nelson, K.	Quinn
Bergstrom	Ellingson	Krueger	Neuenschwander	Riveness
Brandl	Erickson	Larsen	O'Connor	Rodriguez, C.
Brinkman	Graba	Mann	Ogren	Rodriguez, F.
Carlson, L.	Gruenes	McDonald	Omamn	St. Onge
Clark, J.	Gustafson	McEachern	Osthoff	Sarna
Clark, K.	Hoffman	Metzen	Otis	Scheid
Clawson	Jacobs	Munger	Peterson	Schoenfeld

Schreiber	Sherman	Tunheim	Voss	Wenzel
Seaberg	Simoneau	Uphus	Welch	Wynia
Segal	Sparby	Vanasek	Welle	Speaker Sieben
Shaver	Swanson	Vellenga		

Those who voted in the negative were:

Anderson, B.	Elioff	Himle	Olsen	Skoglund
Anderson, G.	Evans	Hokr	Onnen	Solberg
Bennett	Findlay	Jennings	Pauly	Sviggum
Bishop	Fjoslien	Knickerbocker	Piepho	Thiede
Blatz	Forsythe	Kvam	Quist	Valan
Burger	Frerichs	Levi	Redafen	Valento
Carlson, D.	Halberg	Ludemán	Rodosovich	Waltman
Dempsey	Haukoos	Marsh	Rose	Welker
DenOuden	Heap	Minne	Schafer	Wigley
Dimler	Heinitz	Norton	Shea	Zaffke

The bill was passed, as amended, and its title agreed to.

S. F. No. 1563 was reported to the House.

O'Connor moved that S. F. No. 1563 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1853 was reported to the House.

There being no objection S. F. No. 1853 was temporarily laid over on Special Orders.

S. F. No. 1258 was reported to the House.

Clark, K., moved to amend S. F. No. 1258, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116C.705] [FINDINGS.]

The legislature finds that the disposal and transportation of high level radioactive waste is of vital concern to the health, safety, and welfare of the people of Minnesota, and to the economic and environmental resources of Minnesota. To ensure the health, safety, and welfare of the people, and to protect the air, land, water, and other natural resources in the state from pollution, impairment, or destruction, it is necessary for the state to regulate and control, under the laws of the United States, the exploration for high level radioactive waste disposal within the state of Minnesota. It is the intent of the legislature to exercise all legal authority for the purpose of regulating the disposal and transportation of high level radioactive waste.

Sec. 2. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 10. [AREA CHARACTERIZATION PLAN.] *"Area characterization plan" means the official plan prepared by the department of energy for a specific geographic area outlining the proposed laboratory or field activities to be undertaken to establish the geologic, environmental, social, and economic characteristics of the area.*

Sec. 3. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 11. [AREA RECOMMENDATION REPORT.] *"Area recommendation report" means the official report prepared by the department of energy identifying specific geographic areas within a state for further evaluation as a repository for radioactive waste.*

Sec. 4. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 12. [BOARD.] *"Board" means the Minnesota environmental quality board.*

Sec. 5. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 13. [CHAIRMAN.] *"Chairman" means chairman of the board.*

Sec. 6. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 14. [CONSULTATION AND COOPERATION AGREEMENT.] *"Consultation and cooperation agreement" means the formal agreement, as defined in the Nuclear Waste Policy Act, United States Code, title 42, section 10137(c), between a state and the federal government setting forth procedures for information exchanges, state consultation, and other matters related to repository siting and construction.*

Sec. 7. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 15. [DEPARTMENT OF ENERGY.] *"Department of energy" means the United States department of energy.*

Sec. 8. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 16. [DISPOSE, DISPOSAL.] *"Dispose" or "disposal" means the permanent or temporary placement of high*

level radioactive waste at a site within the state other than a point of generation.

Sec. 9. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 17. [HIGH LEVEL RADIOACTIVE WASTE.] "High level radioactive waste" means:

- (1) irradiated reactor fuel;
- (2) liquid wastes resulting from reprocessing irradiated reactor fuel;
- (3) solids into which the liquid wastes have been converted;
- (4) transuranic wastes, meaning any radioactive waste containing alpha emitting transuranic elements that is not acceptable for near-surface disposal as defined in the Code of Federal Regulations, title 10, section 61.55;
- (5) any other highly radioactive materials that the nuclear regulatory commission or department of energy determines by law to require permanent isolation; or
- (6) any byproduct material as defined in section 11e (2) of the Atomic Energy Act of 1954, United States Code, title 42, section 2014, as amended.

Sec. 10. Minnesota Statutes 1982, section 116C.71, is amended by adding a subdivision to read:

Subd. 18. [POTENTIALLY IMPACTED AREA.] "Potentially impacted area" means the area designated or described in a draft or final area recommendation report or area characterization plan for study or consideration.

Sec. 11. [116C.721] [PUBLIC PARTICIPATION.]

Subdivision 1. [INFORMATION MEETINGS.] The board shall conduct public information meetings within an area designated in a draft area recommendation report, final area recommendation report, draft area characterization plan, or final area characterization plan. Information meetings shall be held within 30 days after the board receives each of the reports.

Subd. 2. [NOTICE.] The board shall notify the public of information meetings and the availability of the area recommendation reports and the area characterization plans. Copies of the reports shall be made available for public review and distribution at the board office, the Minnesota geological survey of-

office, regional development commission offices in regions that include a part of the potentially impacted areas, county court-houses in counties that include a part of a potentially impacted area, and other appropriate places determined by the board to provide public accessibility.

Subd. 3. [TRANSMITTAL OF PUBLIC CONCERNS.] The board shall transmit public concerns expressed at public information meetings to the department of energy.

Sec. 12. [116C.722] [LEGAL AND TECHNICAL ASSISTANCE TO INDIAN TRIBES.]

If an Indian tribal council that has jurisdiction over part of a potentially impacted area within the state requests legal or technical assistance, the board shall provide assistance.

Sec. 13. [116C.723] [DISPOSAL STUDIES.]

Unless the state has executed a consultation and cooperation agreement, a person may not make a study or test of a specific area or site related to disposal including an exploratory drilling, a land survey, an aerial mapping, a field mapping, a waste suitability study, or other surface or subsurface geologic, hydrologic, or environmental testing or mapping.

Sec. 14. [116C.724] [CONSULTATION AND COOPERATION AGREEMENT.]

Subdivision 1. [REQUIREMENT.] Upon notice from the department of energy that Minnesota contains a potentially impacted area, the board shall negotiate a consultation and cooperation agreement with the federal government.

Subd. 2. [CONDITIONS.] (a) The consultation and cooperation agreement shall include but not be limited to the conditions specified in this subdivision.

(b) A permit shall be required for all geologic and hydrologic drilling. Conditions of obtaining and retaining the permit shall require:

(1) compliance with state drilling and drill hole restoration regulations as an exploratory boring under chapter 156A;

(2) proof that access to the test site has been obtained by a negotiated agreement or other legal process;

(3) the permittee to pay a fee covering the costs of processing and monitoring drilling activities;

(4) *unrestricted access by the commissioner of health, the commissioner of natural resources, the director of the pollution control agency, the director of the Minnesota geological survey, the county health officer, and their employees and agents to the drilling sites to inspect and monitor the drill holes, drilling operations, and abandoned sites, and to sample air and water that may be affected by drilling;*

(5) *submission of splits or portions of a core sample, requested by the commissioner of natural resources or director of the Minnesota geological survey, except that the commissioner or director may accept certified data on the sample in lieu of a sample if certain samples are required in their entirety by the permittee; and*

(6) *that a sample submitted may become property of the state.*

(c) *A person who conducts geologic, hydrologic, or geophysical testing or studies shall provide unrestricted access to both raw and interpretive data to the chairman and the director of the Minnesota geological survey or their designated representatives. The raw and interpretive data includes core samples, well logs, water samples and chemical analyses, survey charts and graphs, and predecisional reports. Studies and data shall be made available within 90 days of a formal request by the chairman.*

(d) *A person proposing to investigate shall hold at least one public meeting before a required permit is issued, and during the investigation at least once every six months, within the potentially impacted area. The meetings shall provide the public with current information on progress of the investigation. The person investigating shall respond in writing to the board about concerns and issues raised at the public meetings.*

(e) *Before a person engages in negotiations regarding property interests in land or water, or permitting activities, the person shall notify the chairman in writing. Copies of terms and agreements shall also be provided to the chairman.*

Sec. 15. [116C.731] [TRANSPORTATION OF HIGH LEVEL RADIOACTIVE WASTE.]

Subdivision 1. [NOTIFICATION.] Before a shipment of high level radioactive waste is transported in the state, the shipper shall notify the commissioner of public safety. The notice shall include the route, date, and time of the shipment in addition to information required under Code of Federal Regulations, title 10, sections 71.5a and 73.37 (f).

Subd. 2. [HIGHWAY ROUTE DETERMINATION.] Pursuant to Code of Federal Regulations, title 49, part 177, the com-

missioner may require preferred routes, dates, or times for transporting high level radioactive waste if the commissioner determines, in accordance with United States Department of Transportation "Guidelines for Selecting Preferred Highway Routes for Large Quantity Shipments of Radioactive Materials," that alternatives are safer than those proposed. On an annual basis the commissioner shall review federally approved highway routes for transporting high level radioactive waste in the state and select new state-designated routes in accordance with Code of Federal Regulations, title 49, part 177, if safety considerations indicate the alternate routes would be preferable. The state does not incur any liability by requiring the alternate routes, dates, or times to be used.

Subd. 3. [TRANSPORTATION FEE.] A person who intends to transport high level radioactive waste shall submit a transportation fee to the commissioner of public safety in the amount of \$1,000 for each vehicle carrying high level radioactive waste in each shipment with the information required in subdivision 1. The fees shall be deposited by the commissioner into the general fund.

Subd. 4. [EMERGENCY RESPONSE PLAN.] The commissioner of public safety shall consult with the commissioners of health and transportation, the director of the pollution control agency, and representatives of the federal nuclear regulatory commission, the federal emergency management agency, and the United States department of transportation and before December 1, 1984, shall prepare a plan for emergency response to a high level radioactive waste transportation accident, including plans for evacuation and cleanup. The commissioner of public safety shall report by January 1 of each year to the legislature on the status of the plan and the ability of the state to respond adequately to an accident.

Subd. 5. [APPLICABILITY.] This section does not apply to radioactive materials shipped by or for the United States government for military, national security, or national defense purposes. This section does not require disclosure of defense information or restricted data as defined in the Atomic Energy Act of 1954, United States Code, title 42, section 2014, as amended.

Sec. 16. Minnesota Statutes 1982, section 116C.74, is amended to read:

116C.74 [PENALTIES.]

Subdivision 1. [PENALTIES.] Any person who violates section 116C.72 or who causes radioactive wastes to be shipped in violation of section 116C.73 shall be guilty of a gross misdemeanor and subject to a fine of not more than \$10,000 or a sentence of imprisonment of not more than one year, or both.

Subd. 2. [VIOLATIONS; PENALTIES.] (a) A person who violates section 13, 14, or 15 is:

(1) guilty of a misdemeanor and is subject to a fine of not more than \$10,000; and

(2) subject to a civil penalty of not more than \$10,000 for each day of violation, payable to the state, and may be ordered by the court to pay to the state an additional sum as compensation for cleanup and for pollution, destruction, or impairment of the environment, including but not limited to contamination of water supplies or water aquifers.

(b) A violation of section 13, 14, or 15 may be enjoined as provided by law in an action in the name of the state brought by the attorney general.

(c) This subdivision does not limit other remedies otherwise available to either the state or private parties for violations of section 13, 14, or 15.

Sec. 17. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; requiring an agreement between the state and federal government prior to test drilling of geologic structures for disposal of high level radioactive waste and notification of results; regulating transportation of high level radioactive waste in the state; providing penalties; amending Minnesota Statutes 1982, sections 116C.71, subdivision 1, and by adding subdivisions; and 116C.74; proposing new law coded in Minnesota Statutes, chapter 116C."

The motion prevailed and the amendment was adopted.

Ogren and Otis moved to amend S. F. No. 1258, as amended, as follows:

Page 8, after line 9, after the period insert a new section to read:

"Sec. 17. [216B.70] [NUCLEAR POWER PLANTS; CONDITIONS FOR CONSTRUCTION.]

Notwithstanding any law to the contrary, no nuclear fission electric generating plant may be constructed in the state after July 1, 1984, unless the following conditions have been met:

(1) *the commission finds that there has been developed and that the United States through its authorized agency has approved and there exists a demonstrated successful method for the safe permanent and terminal disposal of high-level radioactive waste; and*

(2) *the commission reports its findings to the legislature, and the construction of the nuclear fission electric generating plant is expressly approved by law."*

Renumber subsequent sections

Amend the title as follows:

Page 8, line 10, before the period insert "and 216B"

A roll call was requested and properly seconded.

Jennings moved to amend the Ogren amendment to S. F. No. 1258, as amended, as follows:

Line 7, delete "in" insert "by"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 50 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Bennett	Evans	Himle	Onnen	Shaver
Bishop	Findlay	Jennings	Pauly	Sviggum
Blatz	Fjoslien	Johnson	Piepho	Thiede
Boo	Forsythe	Kalis	Quist	Uphus
Burger	Frerichs	Knickerbocker	Redalen	Valan
Carlson, D.	Gruenes	Kvam	Reif	Valento
Dempsey	Gutknecht	Levi	Rose	Waltman
DenOuden	Halberg	Ludeman	Schafer	Welker
Dimler	Haukoos	McDonald	Schreiber	Wigley
Erickson	Heinitz	Omann	Seaberg	Zaffke

Those who voted in the negative were:

Anderson, B.	Clawson	Kelly	Murphy	Rice
Anderson, G.	Cohen	Knuth	Nelson, D.	Riveness
Battaglia	Coleman	Kostohryz	Neuenschwander	Rodosovich
Beard	Eken	Krueger	Norton	Rodriguez, C.
Begich	Elioff	Larsen	O'Connor	Rodriguez, F.
Bergstrom	Ellingson	Long	Ogren	St. Onge
Brandl	Graba	Mann	Otis	Sarna
Brinkman	Greenfield	Marsh	Peterson	Scheid
Carlson, L.	Hoffman	McEachern	Piper	Schoenfeld
Clark, J.	Jacobs	Metzen	Price	Segal
Clark, K.	Jensen	Munger	Quinn	Simoneau

Skoglund
Solberg
Swanson

Tunheim
Vanasek
Vellenga

Voss
Welch

Welle
Wenzel

Wynia
Speaker Sieben

The motion did not prevail and the amendment to the amendment was not adopted.

POINT OF ORDER

Welker raised a point of order pursuant to rule 3.9 that the Ogren and Otis amendment to S. F. No. 1258, was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Ogren and Otis amendment and the roll was called. There were 59 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Marsh	Price	Shea
Anderson, G.	Graba	McEachern	Quinn	Sherman
Battaglia	Greenfield	Munger	Rice	Simoneau
Bergstrom	Gustafson	Murphy	Riveness	Skoglund
Brandl	Hoffman	Nelson, D.	Rodosovich	Vanasek
Clark, J.	Jensen	Neuenschwander	Rodriguez, C.	Vellenga
Clark, K.	Kahn	Norton	Rodriguez, F.	Welch
Clawson	Kalis	Ogren	St. Onge	Welle
Cohen	Knuth	Olsen	Sarna	Wenzel
Coleman	Larsen	Otis	Scheid	Wynia
Eken	Long	Peterson	Schoenfeld	Speaker Sieben
Ellingson	Mann	Piper	Segal	

Those who voted in the negative were:

Beard	Erickson	Johnson	Onnen	Thiede
Begich	Findlay	Kelly	Pauly	Tomlinson
Bennett	Forsythe	Knickerbocker	Piepho	Tunheim
Bishop	Frerichs	Kostohryz	Quist	Uphus
Blatz	Gruenes	Krueger	Redalen	Valan
Boo	Gutknecht	Kvam	Reif	Valento
Brinkman	Halberg	Levi	Rose	Voss
Burger	Haukoos	Ludeman	Schafer	Waltman
Carlson, L.	Heap	McDonald	Schreiber	Welker
Dempsey	Heinritz	McKasy	Seaberg	Wigley
DenOuden	Himle	Metzen	Shaver	Zaffke
Dimler	Hokr	Minne	Swiggum	
Elioff	Jennings	Omann	Swanson	

The motion did not prevail and the amendment was not adopted.

S. F. No. 1258, A bill for an act relating to the environment; requiring an agreement between the state and federal government prior to test drilling of geologic structures for disposal of high level radioactive waste and notification of results; regulating transportation of high level radioactive waste in the state; providing penalties; regulating nuclear fission electric generat-

ing plants in Minnesota; amending Minnesota Statutes 1982, section 116C.71, by adding subdivisions; and 116C.74; proposing new law coded in Minnesota Statutes, chapters 116C and 216B.

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

The bill was passed, as amended, and its title agreed to.

S. F. No. 1112, A bill for an act relating to drainage; eliminating the bond required for appeal of benefits or damages in a drainage assessment proceeding; amending Minnesota Statutes 1982, section 106.631, subdivision 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 117 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Blatz	Burger	Clawson
Anderson, G.	Bennett	Boo	Carlson, D.	Coleman
Battaglia	Bergstrom	Brandl	Carlson, L.	Dempsey
Beard	Bishop	Brinkman	Clark, K.	DenOuden

Dimler	Hokr	Munger	Riveness	Tomlinson
Eken	Jacobs	Murphy	Rodosovich	Tunheim
Elioff	Jennings	Nelson, D.	Rodriguez, C.	Uphus
Ellingson	Jensen	Neuenschwander	Rodriguez, F.	Valan
Erickson	Johnson	Norton	Rose	Valento
Evans	Kalis	Ogren	St. Onge	Vanasek
Findlay	Knickerbocker	Olsen	Scheid	Vellenga
Fjoslien	Knuth	Omann	Schoenfeld	Voss
Forsythe	Kostohryz	Onnen	Schreiber	Waltman
Frerichs	Krueger	Osthoff	Seaberg	Welch
Graba	Kvam	Otis	Segal	Welker
Greenfield	Larsen	Pauly	Shaver	Welle
Gruenes	Levi	Peterson	Shea	Wenzel
Gutknecht	Ludeman	Piepho	Sherman	Wigley
Halberg	Mann	Piper	Simoneau	Wynia
Haukoos	Marsh	Price	Skoglund	Zaffke
Heap	McDonald	Quinn	Sparby	Speaker Sieben
Heinitz	McKasy	Quist	Sviggum	
Himle	Metzen	Redalen	Swanson	
Hoffman	Minne	Reif	Thiede	

Those who voted in the negative were:

Kelly McEachern O'Connor Sarna

The bill was passed and its title agreed to.

S. F. No. 1398 was reported to the House.

Olsen moved to amend S. F. No. 1398, as follows:

Page 1, line 17, after "unless" delete "*the person to be arrested is found*"

Page 1, line 18, before "upon" delete "*on a public highway or street, or in a public place or*"

Page 1, line 19, after "warrant" insert "*, or unless the person named in the warrant is found on a public highway or street*"

Delete the title and insert:

"A bill for an act relating to criminal justice; permitting misdemeanor arrests to be made at night in public places; amending Minnesota Statutes 1983 Supplement, section 629.31."

The motion prevailed and the amendment was adopted.

Olsen moved to amend S. F. No. 1398, as amended, as follows:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1982, section 629.72, subdivision 1, is amended to read:

Subdivision 1. [DETENTION IN LIEU OF CITATION; RELEASE.] Notwithstanding any other law or rule to the contrary, an arresting officer may not issue a citation in lieu of arrest and detention to an individual charged with assaulting his spouse or other individual with whom he resides.

Notwithstanding any other law or rule to the contrary, an individual who is arrested on a charge of assaulting his spouse or other person with whom he resides shall be brought to the police station or county jail. The officer in charge of the police station or the county sheriff in charge of the jail shall issue a citation in lieu of continued detention unless it reasonably appears to the officer or sheriff that detention is necessary to prevent bodily harm to the arrested person or another, or there is a substantial likelihood the arrested person will fail to respond to a citation.

If the arrested person is not issued a citation by the officer in charge of the police station or the county sheriff, he shall be brought before the nearest available judge of the county court or county municipal court in the county in which the alleged assault took place without unnecessary delay (, BUT NO MORE THAN 24 HOURS AFTER HIS ARREST, EXCLUSIVE OF SUNDAYS AND LEGAL HOLIDAYS) *as provided in court rule.*

Sec. 3. Minnesota Statutes 1982, section 629.72, subdivision 3, is amended to read:

Subd. 3. [RELEASE (AFTER 24 HOURS).] If the arrested person is not issued a citation by the officer in charge of the police station or the county sheriff pursuant to subdivision 1, and is not brought before a judge within the time limits prescribed in (SUBDIVISION 1) *court rule*, he shall be released by the arresting authorities, and a citation shall be issued in lieu of continued detention."

Amend the title as follows:

Page 1 of the Olsen amendment, before "amending" insert "altering release and detention procedures in certain cases;"

Page 1, of the Olsen amendment after, "Statutes" insert "1982, section 629.72, subdivisions 1 and 3; and Minnesota Statutes"

The motion prevailed and the amendment was adopted.

Bishop, Vanasek, Seaberg and Staten moved to amend S. F. No. 1398, as amended, as follows:

Page 1, line 19, before the period, insert:

“, and the warrant is based on a criminal misdemeanor. If the warrant is based on a petty misdemeanor for a parking violation, an arrest between the hours of 10:00 p.m. and 8:00 a.m. on a public highway or street may be made only if the warrant is based on more than one violation.”

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 22 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Beard	Erickson	Johnson	Pauly	Sherman
Bishop	Frerichs	Krueger	Schoenfeld	Valan
Blatz	Graba	Norton	Seaberg	Vellenga
Dempsey	Gustafson	Otis	Shea	Waltman
Ellingson	Gutknecht			

Those who voted in the negative were:

Anderson, B.	Elioff	Knickerbocker	Omann	Shaver
Anderson, G.	Evans	Knuth	Onnen	Skoglund
Battaglia	Findlay	Kostohryz	Osthoff	Solberg
Begich	Fjoslien	Larsen	Peterson	Sparby
Bennett	Forsythe	Levi	Piepho	Swanson
Bergstrom	Greenfield	Ludeman	Price	Thiede
Boo	Gruenes	Mann	Quinn	Tunheim
Brandl	Halberg	Marsh	Quist	Uphus
Brinkman	Haukoos	McDonald	Reif	Valento
Burger	Heap	McEachern	Rice	Vanasek
Carlson, L.	Heinitz	McKasy	Riveness	Welch
Clark, J.	Himle	Metzen	Rodosovich	Welker
Clark, K.	Hoffman	Minne	Rodriguez, C.	Wenzel
Clawson	Hokr	Murphy	Rodriguez, F.	Wigley
Cohen	Jacobs	Nelson, D.	Rose	Zaffke
Coleman	Jennings	Nelson, K.	St. Onge	Speaker Sieben
DenOuden	Jensen	Neuenschwander	Schafer	
Dimler	Kalis	Ogren	Schreiber	
Eken	Kelly	Olsen	Segal	

The motion did not prevail and the amendment was not adopted.

S. F. No. 1398, A bill for an act relating to arrests; providing for the arrest of a person charged with a misdemeanor on Sundays or between 10:00 p.m. and 8:00 a.m. on any other day if the person is found on a public highway or street, or in a public place; amending Minnesota Statutes 1983 Supplement, section 629.31.

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

The bill was passed, as amended, and its title agreed to.

H. F. No. 1203 which was temporarily laid over earlier today was again reported to the House.

Norton moved to amend H. F. No. 1203, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 504.22, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section,

(a) "tenant" shall have the meaning assigned to it in section 566.18, but for purposes of section 2, it does not include residents of manufactured home parks as defined in section 327C.01, subdivision 9; and

(b) "owner" shall mean one or more persons, jointly or severally, in whom is vested a legal or beneficial interest in the premises.

Sec. 2. Minnesota Statutes 1982, section 504.22, is amended by adding a subdivision to read:

Subd. 2a. [DISCLOSURE STATEMENT.] The attorney general shall prepare and make available to the public a statement which summarizes the significant legal rights and obligations of owners and tenants of rental dwelling units. The statement shall include descriptions of the significant provisions of chapters 504 and 566. The statement shall notify tenants in public housing to consult their leases for additional rights and obligations they may have under federal law. The statement shall include the telephone number and address of the attorney general for further information.

The attorney general shall annually revise the statement provided in this section as necessary to ensure that it continues accurately to describe the statutory and case law governing the rights and duties of owners and tenants of rental dwelling units. After preparing the statement for the first time and after each annual revision of the statement, the attorney general shall hold a public meeting to discuss the statement and receive comments on its contents before it is issued. When preparing the statement and evaluating public comment, the attorney general shall be guided by the legislature's intent that the statement be brief, accurate, and complete in identifying significant legal rights and obligations, and written using words with common, everyday meanings.

Sec. 3. Minnesota Statutes 1982, section 504.22, subdivision 3, is amended to read:

Subd. 3. [POSTING OF NOTICE.] A printed or type-written notice containing the information which must be disclosed under subdivision 2 shall be placed in a conspicuous place on the premises. Unless the owner is required to post a notice required by section 5, the owner shall also place in a conspicuous place on the premises a notice that states that a copy of the statement required by section 2 is available from the attorney general to any tenant upon request unless the owner is required to post the notice required by section 5. This subdivision is compiled with if notices posted in compliance with other statutes or ordinances contain the information required by subdivision 2 and this section.

Sec. 4. Minnesota Statutes 1982, section 504.22, subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in this subdivision, no action to recover rent or possession of the premises shall be maintained unless the information required by this section has been disclosed to the tenant in the manner provided herein, or unless the information required by this section is known by or has been disclosed to the tenant at least 30 days prior to the initiation of such action. Failure by the owner to post a notice required by sections 3 or 5 is not a defense to an action

brought by the owner under chapter 566 to recover rent or possession of the premises.

Sec. 5. [471.995] [RENTAL DWELLING NOTICE.]

Any license or registration or certificate of occupancy or a similar document that is issued by a home rule charter or statutory city or by a town and that is required to be posted in a building containing multiple rental dwelling units shall contain a statement that tenants of the dwelling units may contact the attorney general for information regarding the rights and obligations of owners and tenants under state law. The statement shall include the telephone number and address of the attorney general."

Amend the title as follows:

Page 1, line 2, delete the second "landlords"

Page 1, line 3, delete "of residential rental units to notify" and insert "cities and towns to include notification of rights on certificates or licenses of occupancy; requiring the attorney general to publish a statement informing"

Page 1, line 4, delete "providing a penalty;"

Page 1, line 6, delete "and 3" and insert ", 3, 5"

Page 1, line 6, delete the second "subdivisions" and insert "a subdivision; proposing new law coded in Minnesota Statutes, chapter 471"

The motion prevailed and the amendment was adopted.

H. F. No. 1203, A bill for an act relating to landlords and tenants; requiring cities and towns to include notification of rights on certificates or licenses of occupancy; requiring the attorney general to publish a statement informing tenants of their rights and duties under state law; amending Minnesota Statutes 1982, section 504.22, subdivisions 1, 3, and 5; and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 471.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Battaglia	Findlay	Kostohryz	Osthoff	Segal
Beard	Forsythe	Krueger	Otis	Shaver
Begich	Graba	Larsen	Pauly	Shea
Bennett	Greenfield	Levi	Peterson	Sherman
Bergstrom	Gruenes	Long	Piper	Simoneau
Bishop	Gustaafson	Mann	Price	Solberg
Blatz	Gutknecht	Marsh	Quinn	Sparby
Boo	Halberg	McDonald	Quist	Swanson
Brandl	Heap	Metzen	Redalen	Tomlinson
Brinkman	Heinitz	Minne	Reif	Tunheim
Burger	Himle	Munger	Rice	Uphus
Carlson, L.	Hoffman	Murphy	Riveness	Valento
Clark, J.	Hokr	Nelson, D.	Rodosovich	Vanasek
Clark, K.	Jacobs	Nelson, K.	Rodriguez, C.	Vellenga
Clawson	Jensen	Neuenschwander	Rodriguez, F.	Waltman
Coleman	Johnson	Norton	Rose	Welch
Dempsey	Kahn	O'Connor	St. Onge	Welle
Eken	Kalis	Ogren	Sarna	Wenzel
Elioff	Kelly	Olsen	Scheid	Wynia
Ellingson	Knickerbocker	Omman	Schoenfeld	Speaker Sieben
Evans	Knuth	Onnen	Seaberg	

Those who voted in the negative were:

DenOuden	Fjoslien	Jennings	Piepho	Welker
Dimler	Frerichs	Kvam	Schafer	Wigley
Erickson	Haukoos	McEachern	Thiede	Zaffke

The bill was passed, as amended, and its title agreed to.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

S. F. No. 1843, A bill for an act relating to courts; providing for the appointment of chief judge and assistant chief judge for each judicial district; clarifying the administrative authority of the chief judge; amending Minnesota Statutes 1982, section 484.69, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] (EFFECTIVE JULY 1, 1959,) The state is divided into ten judicial districts composed of the following named counties, respectively, in each of which dis-

tricts two or more judges shall be chosen as (HEREINAFTER SPECIFIED) follows:

1. Goodhue, Dakota, Carver, LeSueur, McLeod, Scott, and Sibley; (SEVEN) 20 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, Gaylord, LeCenter, West St. Paul, Chaska, Burnsville, South St. Paul, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; (13) 24 judges; and permanent chambers shall be maintained in New Brighton, Roseville, Maplewood, North St. Paul, White Bear Lake, and St. Paul;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; (SIX) 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, Wabasha, Caledonia, Mantorville, Preston, Owatonna, Waseca, and Winona;

4. Hennepin; (24) 41 judges; and permanent chambers shall be maintained in Minneapolis, and at other northern, southern, and western suburban locations throughout the county as a majority of the judges designate;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; (FIVE) 21 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, St. Peter, St. James, Blue Earth, Jackson, Pipestone, Worthington, Slayton, Redwood Falls, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; (SIX) 14 judges; and permanent chambers shall be maintained in Duluth, Virginia, Hibbing, Two Harbors, Grand Marais, and Carlton;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; (FOUR) 19 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, Foley, Alexandria, Milaca, Long Prairie, Detroit Lakes, Wadena, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; (THREE) 13 judges; and permanent chambers shall be maintained in Morris, Montevideo, Litchfield, Olivia, Wheaton, Glenwood, Breckenridge, Benson, Granite Falls, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochich-

ing; (SIX) 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, Ada, Warren, Hallock, Red Lake Falls, Roseau, Mahanomen, Aitkin, Park Rapids, Baudette, Bagley, Walker, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; (TEN) 23 judges; and permanent chambers shall be maintained in Anoka, Stillwater, Buffalo, Elk River, Mora, Cambridge, Center City, Pine City, and other places designated by the chief judge of the district.

All permanent chambers designated in this section are subject to section 480.22.

Sec. 2. Minnesota Statutes 1983 Supplement, section 260.031, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The chief judge of the judicial district may appoint one or more suitable persons to act as referees. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in (SECTION) sections 484.69, subdivision 3, and 484.70. *Referees appointed under this section* are not limited to assignment to juvenile court. Referees shall hold office at the pleasure of the judges of the district court and shall be learned in the law, except that persons holding the office of referee on January 1, 1983, may continue to serve under the terms and conditions of their appointment. The compensation of a referee shall be fixed by the judge, approved by the county board and payable from the general revenue funds of the county not otherwise appropriated. Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984.

Sec. 3. Minnesota Statutes 1982, section 484.01, is amended to read:

484.01 [JURISDICTION.]

There shall be one trial court, which shall be the district court.

The district (COURTS SHALL HAVE) court has original jurisdiction in all civil actions within (THEIR RESPECTIVE DISTRICTS) *its judicial district*, in all cases of crime committed or triable (THEREIN) *in the district*, in all juvenile proceedings, in all probate proceedings, including the administration of estates of deceased persons and trust estates and guardianship and incompetency proceedings, in all special proceedings not exclusively cognizable by some other court or tribunal, and in all other cases (WHEREIN SUCH) *in which the jurisdiction is especially conferred upon (THEM) it by law. (THEY) It shall*

also have appellate jurisdiction in every case in which an appeal (THERETO) to it is allowed by law from any other court, officer, or body.

Sec. 4. Minnesota Statutes 1982, section 484.545, subdivision 1, is amended to read:

Subdivision 1. The district judges regularly assigned to hold court in each judicial district except for the second, fourth, and tenth judicial districts may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for every two district court judges (OF) in the judicial district *as of June 30, 1985*. The district judges regularly assigned to hold court in the tenth judicial district may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for each district court judge (OF) *in the district as of June 30, 1985*. In addition, the Dakota county board of commissioners may authorize the district judges regularly assigned to hold court in the first judicial district to appoint three competent law clerks, whose salaries shall be paid by the county. *No new law clerk positions may be created in any district after June 30, 1985, but any vacancies in those positions which existed as of June 30, 1985, may be filled. The district court administrator in each district shall make assignments of all law clerks in that district.*

The judicial advisory service shall continue to be available to all trial court judges to assist them with research, information about current legal developments, library services, and legal forms.

Sec. 5. Minnesota Statutes 1982, section 484.64, subdivision 3, is amended to read:

Subd. 3. The board of county commissioners of Ramsey county shall provide suitable chambers and courtroom space, clerks, reporters, bailiffs, and one or more referees and other personnel to assist said judge, together with necessary library, supplies, stationery and other expenses necessary thereto. *All referees are subject to section 484.70.*

Sec. 6. Minnesota Statutes 1982, section 484.65, subdivision 7, is amended to read:

Subd. 7. The district court judge, family court division, may, with the consent and approval of the judges of the district court of the fourth judicial district, appoint one or more suitable persons to act as referees. Such referees shall be learned in the law and shall hold office at the pleasure of the judges of the district court. The compensation of a referee shall be fixed by the personnel board of Hennepin county and appropriated by the county

board and shall be paid in the same manner as other county employees are paid. *All referees are subject to section 484.70.*

Sec. 7. Minnesota Statutes 1982, section 484.69, subdivision 1, is amended to read:

Subdivision 1. [ELECTION; TERM; REMOVAL.] (BY JULY 1, 1977, THE JUDGES OF THE DISTRICT, COUNTY, COUNTY MUNICIPAL AND PROBATE COURTS RESIDENT IN EACH OF THE JUDICIAL DISTRICTS SHALL MEET AND ELECT FROM AMONG THEIR NUMBER A SINGLE CHIEF JUDGE AND AN ASSISTANT CHIEF JUDGE) *The chief justice shall appoint the chief judge and assistant chief judge in each of the judicial districts from a list of three names for each position submitted by the judges of the district. The chief judge and the assistant chief judge shall serve a term of (TWO) three years beginning July 1 of the year in which they are elected. No judge may serve as chief judge or assistant chief judge for more than two consecutive (TWO) three-year terms.*

The seniority of judges and rotation of the position of chief judge or assistant chief judge shall not be criteria for the (ELECTION) *appointment* of the chief judge or the assistant chief judge.

A chief judge or assistant chief judge may be removed for cause as chief judge or assistant chief judge by the chief justice of the supreme court (, OR BY A MAJORITY OF THE JUDGES OF THE JUDICIAL DISTRICT).

Sec. 8. Minnesota Statutes 1982, section 484.69, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE AUTHORITY.] In each judicial district, the chief judge, subject to the authority of the chief justice, shall exercise general administrative authority over the courts within the judicial district. The chief judge shall make assignments of judges to serve on the (COURTS) *court* within the judicial district, and assignments may be made without the consent of the judges affected (, THE CHIEF JUDGE MAY ASSIGN ANY JUDGE OF ANY COURT WITHIN THE JUDICIAL DISTRICT TO HEAR ANY MATTER IN ANY COURT OF THE JUDICIAL DISTRICT. WHEN A JUDGE OF A COURT IS ASSIGNED TO ANOTHER COURT HE IS VESTED WITH THE POWERS OF A JUDGE OF THE COURT TO WHICH HE IS ASSIGNED); *except that no judge who was serving in the district, probate, county, or municipal court prior to August 1, 1977, shall be required to hear any matter which a judge of those respective courts would not have been required to hear prior to August 1, 1977. A judge may refuse an assignment on the basis that it conflicts with a plan of*

management adopted by a judicial district pursuant to a judicial reorganization under section 487.191, or a reorganization plan adopted pursuant to section 13 of this act. A judge aggrieved by an assignment or by being continued in an assignment for an unreasonable period of time may, within five days of receiving notice of the assignment or notice of refusal of request for transfer to a different assignment, appeal to the chief justice. A judge may not be assigned to hear matters outside his judicial district pursuant to this subdivision.

Sec. 9. Minnesota Statutes 1983 Supplement, section 484.70, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The chief judge of the judicial district may appoint one or more suitable persons to act as referees. Referees shall hold office at the pleasure of the judges of the district court and shall be learned in the law, except that persons holding the office of referee on January 1, 1983, may continue to serve under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to family, probate, juvenile or special term court. Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984. *No new district court referee positions may be created after June 30, 1985, but any vacancies in referee positions which existed as of June 30, 1985, may be filled.*

Sec. 10. Minnesota Statutes 1982, section 486.05, subdivision 1, is amended to read:

Subdivision 1. In all judicial districts, a salary range for court reporters shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. The salary for each court reporter shall be set within that range annually by the district administrator after consultation with the chief judge. Nothing herein shall change the manner by which court reporters are paid, the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provisions related to court reporter compensation other than the manner of setting salary. Each county shall be required by order to pay a specified amount thereof in monthly installments, which shall be such proportion of the whole salary as the population in each county bears to the total population in the district as set forth in the most recent federal census. It is provided, however, that in the event a judge is temporarily transferred to hold court in some county other than in his judicial district then, and in that event, the said county shall pay that part of the monthly salary of the judge's reporter as that part of the month worked by said reporter in said county. (EACH REPORTER SHALL HAVE AND MAINTAIN HIS RESIDENCE IN THE DISTRICT IN

WHICH HE IS APPOINTED.) The reporter, in addition to his salary, shall be paid such sums as he shall accrue as necessary mileage, traveling, and hotel expenses *in the discharge of his official duties while absent from the (CITY IN) permanent chambers location to which (HE RESIDES IN THE DISCHARGE OF HIS OFFICIAL DUTIES) the judge he serves is assigned*, such expenses to be paid by the county for which the same were incurred upon presentation of a verified itemized statement thereof approved by the judge; and the auditor of such county, upon presentation of such approved statement, shall issue his warrant in payment thereof.

All laws now in force relating to the salary of district court reporters inconsistent herewith relating to any and all counties are hereby repealed and superseded, except the manner of setting salary as hereinbefore set forth shall not apply to the second and fourth judicial districts.

Sec. 11. [487.001] [COUNTY AND PROBATE COURT ABOLISHED.]

The probate court, which is also the county court, is abolished. The jurisdiction of the county and probate court is transferred to the district court. The judges of the county and probate court who are learned in the law are judges of the district court in which the county and probate court on which they served was located and shall continue to serve the term to which they were appointed or last elected. The county court judge not learned in the law serving on June 30, 1985, is an associate judge of the district court in the judicial district in which the county court where he served was located and shall continue to serve the term to which he was last elected. The associate judge shall be subject to section 487.04. Upon completion of the term to which they were serving on July 1, 1985, all judges shall be eligible for reelection as incumbent judges of the district court in the judicial district in which the county and probate court on which they served was located. The cases pending, the records, and the individuals employed by or serving in the county and probate courts on July 1, 1985, shall be transferred to the district court in the judicial district in which the county and probate court was located. No new courtroom bailiff or clerk positions may be created after June 30, 1985, but any vacancies in those positions which existed as of June 30, 1985, may be filled.

Sec. 12. [488A.001] [MUNICIPAL AND CONCILIATION COURTS MERGER WITH DISTRICT COURT.]

The municipal and conciliation courts of Ramsey and Hennepin counties are merged with the district courts in the second and fourth judicial districts respectively. The judges of the municipal courts of Ramsey and Hennepin counties are district judges of the second and fourth judicial districts respectively and shall continue to serve the term to which they were appointed or last

elected. Upon completion of the term which they were serving on July 1, 1985, they shall be eligible for reelection as incumbent judges of the district court of the second and fourth judicial districts respectively. The cases pending, the records, and the individuals employed by or serving in the municipal and conciliation courts of Ramsey and Hennepin counties on July 1, 1985, are transferred to the district courts in the second and fourth judicial districts respectively. No new courtroom bailiff or clerk positions may be created after June 30, 1985, but any vacancies in those positions which existed as of June 30, 1985, may be filled.

Sec. 13. [REORGANIZATION PLAN.]

The judges in each judicial district, in consultation with the district administrator, shall prepare a reorganization plan establishing an administrative structure to implement the unified trial court.

The reorganization plan required by this section shall set forth the criteria to be considered in the assignment of judges to particular cases or categories of cases.

The plan shall be filed with the state court administrator by July 1, 1985. The state court administrator shall establish a reorganization plan for any judicial district that does not file their plan by the required date. Organization plans filed with the secretary of state pursuant to Minnesota Statutes, section 487.191, may be filed with the state court administrator to meet this requirement.

Sec. 14. [INSTRUCTIONS TO STATE COURT ADMINISTRATOR.]

On or before January 1, 1985, the state court administrator shall present to the chairmen of the committees on the judiciary in the house and senate a report of the statutes in effect prior to the effective date of sections 1 to 12 and 15 which concern the jurisdiction, administration, procedure, judges, and personnel of the district, probate, county, and municipal courts and which require amendment in order to implement the purposes of sections 1 to 12 and 15. The state court administrator shall consult with the revisor of statutes in the preparation of this report which shall be in the form of a bill draft.

Sec. 15. [REPEALER.]

Minnesota Statutes 1982, section 487.191, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 12 and 15 are effective July 1, 1985. Sections 13 and 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to courts; abolishing the county and probate court; transferring the jurisdiction, cases, records, and employees of that court to the district court; merging the municipal and conciliation courts with the district court in the second and fourth judicial districts; transferring the jurisdiction, cases, records, and employees of those courts to the district court; providing that municipal, probate, and county judges learned in the law are district judges; providing that the county court judge not learned in the law is an associate judge; limiting the creation of the additional referee, law clerk, courtroom bailiff, and courtroom deputy clerk positions; requiring each judicial district to prepare a reorganization plan; amending Minnesota Statutes 1982, sections 2.722, subdivision 1; 484.01; 484.545, subdivision 1; 484.64, subdivision 3; 484.65, subdivision 7; 484.69, subdivisions 1 and 3; and 486.05, subdivision 1; Minnesota Statutes 1983 Supplement, sections 260.031, subdivision 1; and 484.70, subdivision 1; proposing new law coded in Minnesota Statutes, chapters 487 and 488A; repealing Minnesota Statutes 1982, section 487.191."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 1.16 S. F. No. 1843 was re-referred to the Committee on Rules and Legislative Administration.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 147, A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Peterson, C. C.; Moe, D. M.; Peterson, R. W.; Renneke and Spear.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Sarna moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 147. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

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.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Ms. Berglin, Mrs. Lantry and Mr. Benson.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Brandl moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 311. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1939, A bill for an act relating to commerce; removing preference for Minnesota made materials in state purchasing; clarifying definition of public contract for resident preference; amending Minnesota Statutes 1982, section 16.365; Minnesota Statutes 1983 Supplement, section 16.0721; repealing Minnesota Statutes 1982, section 16.073; Minnesota Statutes 1983 Supplement, section 16.072; and Laws 1983, chapter 336, section 3.

The Senate has appointed as such committee Messrs. Chmielewski, Knutson and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1007, 1469, 1560, 1668 and 1826.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1572.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1337.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1007, A bill for an act relating to courts; permitting the establishment of compulsory nonbinding arbitration programs for use in civil proceedings; proposing new law coded in Minnesota Statutes, chapter 484.

The bill was read for the first time.

Ellingson moved that S. F. No. 1007 and H. F. No. 899, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1469, A bill for an act relating to workers' compensation; providing coverage for certain employees of the University of Minnesota and for ambulance drivers and attendants; amending Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9.

The bill was read for the first time.

Boo moved that S. F. No. 1469 and H. F. No. 1679, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1560, A bill for an act relating to crimes; subjecting certain property to forfeiture if exchanged for or associated with controlled substances; conforming definitions with other statutes; amending Minnesota Statutes 1982, section 152.19, subdivisions 1, 2, 4, 5, and 8.

The bill was read for the first time.

Clark, J., moved that S. F. No. 1560 and H. F. No. 1284, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1668, A bill for an act relating to eminent domain; providing for relocation benefits for persons displaced by acquisitions when federal funding is not provided; amending Minnesota Statutes 1982, section 117.52.

The bill was read for the first time.

Vellenga moved that S. F. No. 1668 and H. F. No. 2041, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1826, A bill for an act relating to state government; specifying authority of the governor; specifying powers and duties of the commissioner of the department of energy and economic development; providing services for small businesses; amending Minnesota Statutes 1982, sections 116J.67, subdivision 8; 116J.68; Minnesota Statutes 1983 Supplement, sections 116J.-10; 116J.61; proposing new law coded in Minnesota Statutes, chapter 116J.

The bill was read for the first time.

Peterson moved that S. F. No. 1826 and H. F. No. 1709, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1572, A bill for an act relating to court proceedings; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; providing for ante-mortem probate of wills; proposing new law coded in Minnesota Statutes, chapters 524; and 525; repealing Minnesota Statutes 1982, sections 525.16; 525.17; 525.171; 525.20; 525.201; 525.202; 525.212 to 525.216; Minnesota Statutes 1983 Supplement, sections 525.172; and 525.173.

The bill was read for the first time.

Norton moved that S. F. No. 1572 and H. F. No. 2248, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1337, A bill for an act relating to landlords and tenants; increasing the interest rate paid by landlords on rental deposits; amending Minnesota Statutes 1982, section 504.20, subdivision 2.

The bill was read for the first time.

Otis moved that S. F. No. 1337 and H. F. No. 2078, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

SPECIAL ORDERS, Continued

S. F. No. 1853 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 1853, A bill for an act relating to veterinarians; permitting certain University of Minnesota employees to perform certain duties; amending Minnesota Statutes 1982, section 156.12, subdivision 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 122 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Brandl	DenOuden	Graba	Hoffman
Anderson, G.	Brinkman	Dimler	Greenfield	Hokr
Battaglia	Burger	Eken	Gruenes	Jacobs
Beard	Carlson, D.	Elioff	Gustafson	Jennings
Begich	Carlson, L.	Erickson	Gutknecht	Jensen
Bennett	Clark, J.	Evans	Halberg	Johnson
Bergstrom	Clawson	Findlay	Haukoos	Kahn
Bishop	Cohen	Fjoslien	Heap	Kalis
Blatz	Coleman	Forsythe	Heinitz	Kelly
Boo	Dempsey	Frerichs	Himle	Knickerbocker

Knuth	Murphy	Price	Schoenfeld	Valento
Kostohryz	Nelson, D.	Quinn	Schreiber	Vanasek
Krueger	Nelson, K.	Quist	Seaberg	Vellenga
Kvam	Neuenschwander	Redalen	Segal	Waltman
Larsen	O'Connor	Reif	Shaver	Welch
Levi	Ogren	Rice	Shea	Welker
Long	Olsen	Riveness	Sherman	Welle
Mann	Omami	Rodosovich	Simoneau	Wenzel
Marsh	Onnen	Rodriguez, C.	Solberg	Wigley
McDonald	Osthoff	Rodriguez, F.	Sparby	Wynia
McEachern	Otis	Rose	Swanson	Zaffke
McKasy	Pauly	St. Onge	Thiede	Speaker Sieben
Metzen	Peterson	Sarna	Tunheim	
Minne	Piepho	Schafer	Uphus	
Munger	Piper	Scheid	Valan	

Those who voted in the negative were:

Sviggum

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Rodosovich moved that his name be stricken as an author on H. F. No. 1991. The motion prevailed.

Shea moved that H. F. No. 1929 be returned to its author. The motion prevailed.

Neuenschwander moved that H. F. No. 2019 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 147:

Sarna; Clawson; Rodriguez, F.; Wigley and Metzen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 311:

Brandl, Greenfield and Onnen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1466:

Clawson, Halberg and Cohen.

SPECIAL ORDERS

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, April 18, 1984. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Wednesday, April 18, 1984.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

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