

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

EIGHTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 14, 1986

The House of Representatives convened at 12:00 noon and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Pastor Ken Krake, Christian Life Church of Farmington, Minnesota.

The roll was called and the following members were present :

Anderson, G.	Elioff	Krueger	Otis	Sherman
Anderson, R.	Erickson	Kvam	Ozment	Simoneau
Backlund	Forsythe	Levi	Pappas	Skoglund
Battaglia	Frederick	Lieder	Pauly	Solberg
Beard	Frederickson	Long	Peterson	Sparby
Becklin	Frerichs	Marsh	Piepho	Stanius
Begich	Greenfield	McDonald	Piper	Staten
Bennett	Gruenes	McEachern	Poppenhagen	Sviggum
Bishop	Gutknecht	McKasy	Price	Thiede
Blatz	Halberg	McLaughlin	Quinn	Thorson
Boerboom	Hartinger	McPherson	Quist	Tjornhom
Boo	Hartle	Metzen	Redalen	Tomlinson
Brandl	Haukoos	Miller	Rees	Tompkins
Brinkman	Heap	Minne	Rest	Tunheim
Brown	Himle	Munger	Rice	Uphus
Burger	Jacobs	Murphy	Richter	Valan
Carlson, D.	Jaros	Nelson, D.	Riveness	Valento
Carlson, J.	Jennings, L.	Nelson, K.	Rodosovich	Vanasek
Carlson, L.	Johnson	Neuenschwander	Rose	Vellenga
Clark	Kahn	Norton	Sarna	Voss
Clausnitzer	Kalis	Ogren	Schafer	Waltman
Cohen	Kelly	Olsen, S.	Scheid	Welle
Dempsey	Kiffmeyer	Olson, E.	Schoenfeld	Wenzel
DenOuden	Knickerbocker	Omann	Seaberg	Wynia
Dimler	Knuth	Onnen	Segal	Zaffke
Dyke	Kostohryz	Osthoff	Shaver	Spk. Jennings, D.

A quorum was present.

O'Connor was excused.

Fjoslien was excused until 12:45 p.m. Schreiber was excused until 1:15 p.m. Ellingson was excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

Blatz; Boerboom; Carlson, D.; Carlson, J.; DenOuden; Forsythe; Halberg; Kalis; McDonald; Olsen, S.; Poppenhagen; Fredrickson and Valan were excused while in conference.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 2037 and 2287 and S. F. Nos. 1671, 1869, 1842, 1725, 1832, 1931, 1945, 2105, 2196, 1849, 2206, 912, 2279, 1711, 1928, 1993, 1974, 2178, 1782, 2078, 2243, 2245, 1961, 1912 and 2114 have been placed in the members' files.

S. F. No. 2279 and H. F. No. 2177, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Krueger moved that S. F. No. 2279 be substituted for H. F. No. 2177 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1945 and H. F. No. 1918, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Nelson, D., moved that S. F. No. 1945 be substituted for H. F. No. 1918 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1931 and H. F. No. 2487, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Stanius moved that S. F. No. 1931 be substituted for H. F. No. 2487 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2114 and H. F. No. 2037, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kvam moved that S. F. No. 2114 be substituted for H. F. No. 2037 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1974 and H. F. No. 2181, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 1974 be substituted for H. F. No. 2181 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1869 and H. F. No. 2221, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Redalen moved that the rules be so far suspended that S. F. No. 1869 be substituted for H. F. No. 2221 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2105 and H. F. No. 2188, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Becklin moved that the rules be so far suspended that S. F. No. 2105 be substituted for H. F. No. 2188 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2243 and H. F. No. 2469, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Frerichs moved that the rules be so far suspended that S. F. No. 2243 be substituted for H. F. No. 2469 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1782 and H. F. No. 1953, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Gruenes moved that the rules be so far suspended that S. F. No. 1782 be substituted for H. F. No. 1953 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2078 and H. F. No. 2268, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rees moved that the rules be so far suspended that S. F. No. 2078 be substituted for H. F. No. 2268 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2245 and H. F. No. 2423, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Shaver moved that the rules be so far suspended that S. F. No. 2245 be substituted for H. F. No. 2423 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1671 and H. F. No. 1755, 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. 1671 be substituted for H. F. No. 1755 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 912 and H. F. No. 943, 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. 912 be substituted for H. F. No. 943 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1993 and H. F. No. 1841, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 1993 be substituted for H. F. No. 1841 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1912 and H. F. No. 2229, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Frederick moved that the rules be so far suspended that S. F. No. 1912 be substituted for H. F. No. 2229 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1961 and H. F. No. 1996, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dempsey moved that the rules be so far suspended that S. F. No. 1961 be substituted for H. F. No. 1996 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 2138, A bill for an act relating to natural resources; disposition of wild rice license fees; extends the effective date of Laws 1984, chapter 539; amending Minnesota Statutes 1984, section 97.49, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 2, after the period insert:

“Sec. 3. [APPROPRIATION.]

The sum of \$500,000 is appropriated from the general fund to the attorney general, to be available until expended to provide technical and computer assistance to the United States for implementing Laws 1984, chapter 539, section 1.”

Renumber the remaining section

Page 2, line 4, after the period delete “Section 2 is” and insert “Sections 2 and 3 are”

Amend the title as follows:

Page 1, line 4, after the semicolon insert “appropriating money;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 1.16, H. F. No. 2138 was re-referred to the Committee on Rules and Legislative Administration.

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 2260, A bill for an act relating to capital improvements; removing conditions for the construction of certain highway rest areas; amending Laws 1985, First Special Session chapter 15, section 9, subdivision 5.

Reported the same back with the following amendments:

Page 2, after line 20, insert:

"Sec. 2. [161.52] [TOURIST INFORMATION CENTERS.]

For the fiscal year ending June 30, 1988, and subsequent years, the payment of the cost of staffing and operating tourist information centers located on trunk highways, including interstate highways, by the commissioner of transportation is subject to the following restrictions:

(a) For the fiscal year ending June 30, 1988, not more than two-thirds of the cost may be paid from the trunk highway fund.

(b) For the fiscal year ending June 30, 1989, not more than one-third of the cost may be paid from the trunk highway fund.

(c) For the fiscal year ending June 30, 1990, no part of the cost may be paid from the trunk highway fund.

That portion of the cost not paid from the trunk highway fund must be paid either by the commissioner from funds appropriated for that purpose from sources other than the trunk highway fund, or by local sources of funding."

Amend the title as follows:

Page 1, line 5, after "5" insert "; proposing coding for new law in Minnesota Statutes, chapter 161"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 1.16, H. F. No. 2260 was re-referred to the Committee on Rules and Legislative Administration.

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 2356, A bill for an act relating to agricultural finance; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; amending Minnesota Statutes 1984, section 41A.02, subdivisions 3 and 6; Minnesota Statutes 1985 Supplement, sections 41A.01; 41A.02, subdivisions 4 and 11; and 41A.05, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 1984, section 41A.06, subdivision 2.

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

The report was adopted.

Pursuant to rule 1.16, H. F. No. 2356 was re-referred to the Committee on Rules and Legislative Administration.

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 1952, A bill for an act relating to education; vocational; specifying use of appropriation for firefighter training programs in AVTT's; amending Laws 1985, First Special Session chapter 11, section 4, subdivision 3.

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

The report was adopted.

Pursuant to rule 1.16, H. F. No. 1952 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF SENATE BILLS

S. F. Nos. 2279, 1945, 1931, 2114, 1974, 1869, 2105, 2243, 1782, 2078, 2245, 1671, 912, 1993, 1912 and 1961 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Marsh introduced:

H. F. No. 2557, A bill for an act relating to commerce; requiring the filing and publication of certain organizational in-

formation of financial institutions and limited partnerships; requiring publication of notice of incorporation; amending Minnesota Statutes 1984, section 302A.111, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 47; 302A; and 322A.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Ogren; Sarna; Carlson, D.; Omann and Anderson, G., introduced:

H. F. No. 2558, A bill for an act relating to game and fish; authorizing the issuance of free deer licenses to persons 65 years or older; amending Minnesota Statutes 1984, section 98.47, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Staten introduced:

H. F. No. 2559, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

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

Staten introduced:

H. F. No. 2560, A bill for an act relating to the legislature; requiring the establishment of an affirmative action plan for the legislature; creating a staff position of director of legislative equal employment opportunity; providing for immediate action to be taken in furtherance of equal employment opportunity; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Staten introduced:

H. F. No. 2561, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Staten introduced:

H. F. No. 2562, A bill for an act relating to utilities; creating legislative utility rate study commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Staten introduced:

H. F. No. 2563, A bill for an act relating to insurance; establishing the insurance consumers board; giving the board authority to collect and disseminate information; establishing a surcharge on insurance contracts; appropriating money collected by the surcharge to the board; proposing coding for new law in Minnesota Statutes, chapter 60A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Wenzel introduced:

H. F. No. 2564, A bill for an act relating to taxation; sales; clarifying the definition of farm machinery; amending Minnesota Statutes 1985 Supplement, section 297A.01, subdivision 15.

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

Marsh, Hartinger, Kelly, Clausnitzer and Kiffmeyer introduced:

H. F. No. 2565, A bill for an act relating to crimes; authorizing upward departures from presumptive sentences in certain aggravated cases; extending the mandatory minimum sentencing law to certain controlled substance offenses; amending Minnesota Statutes 1984, sections 244.10, by adding a subdivision; and 609.11, subdivision 9.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Solberg, Ogren and Beard introduced:

H. F. No. 2566, A bill for an act relating to fishing licenses; prescribing a fee for a 14-day angling license; amending Minnesota Statutes 1985 Supplement, section 98.46, subdivision 14; S. F. No. 1526, 1986 Regular Session, article 1, section 68, subdivision 7, if enacted.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kvam, Redalen, Dyke, Boerboom and Frederickson introduced:

H. F. No. 2567, A bill for an act relating to agriculture; requiring an appropriate committee of the legislature to conduct a study of the necessity for a central filing system for agricultural credit instruments.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Shaver, Osthoff, Scheid, Backlund and Fjoslien introduced:

H. F. No. 2568, A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1984, sections 123.015; 200.015; 201.275; 204C.-04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1984, sections 210A.01 to 210A.44.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

HOUSE ADVISORIES

The following House Advisories were introduced:

Clark, Segal, Vellenga and Piper introduced:

H. A. No. 86, A proposal to study legislative responses to the problems of osteoporosis.

The advisory was referred to the Committee on Health and Human Services.

Jacobs introduced:

H. A. No. 87, A proposal to study the transferability of AVTI credits.

The advisory was referred to the Committee on Education.

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. 1897, A bill for an act relating to commerce; motor fuel franchises; extending the temporary prohibition on certain building alterations that eliminate service bays; amending Laws 1984, chapter 444, section 4.

H. F. No. 2236, A bill for an act relating to the city of Grand Rapids; permitting the creation of the Central School commission.

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. 2185, A bill for an act relating to state government; providing for the purchase, use, administration, or disposal of certain fees, services, and property within the jurisdiction of the commissioner of administration; amending Minnesota Statutes 1984, sections 16B.07, subdivisions 3 and 4; 16B.08,

subdivision 4; 16B.09, subdivision 1; and Minnesota Statutes 1985 Supplement, sections 16B.29; 16B.42, subdivision 4; and 16B.48, subdivision 2.

H. F. No. 2143, A bill for an act relating to utilities; permitting certain energy cost adjustments; amending Minnesota Statutes 1984, section 216B.16, subdivision 7.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2418, A bill for an act relating to Washington county; permitting the county to finance water systems on behalf of cities and towns in the county by the issuance of county general obligation bonds.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1926, A bill for an act relating to state investments; establishing various accounts within the supplemental investment fund; providing for the administration of the accounts and for the investment and valuation of shares within each account; amending Minnesota Statutes 1984, sections 11A.17, subdivisions 1, 4, 9, and by adding a subdivision; 69.77, subdivision 2; 69.775; 352.96, subdivision 4; 352D.04, subdivision 1; Minnesota Statutes 1985 Supplement, section 11A.17, subdivision 13; and Laws 1969, chapter 950, section 3, as amended.

PATRICK E. FLAHAVER, Secretary of the Senate

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. 418, A bill for an act relating to local government; excluding firefighter and peace officer job classes from certain aspects of pay equity requirements; amending Minnesota Statutes 1984, section 179A.16, by adding a subdivision; 471.992; 471.993, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 471.9965.

The Senate has appointed as such Committee Messrs. Merriam, Frederick and Ms. Berglin.

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2014, A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03.

PATRICK E. FLAHAVEN, Secretary of the Senate

Backlund moved that the House refuse to concur in the Senate amendments to H. F. No. 2014, 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. 1824, A bill for an act relating to statutes; adopting as amended a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, sections 3C.10, subdivision 1; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 645.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bishop moved that the House refuse to concur in the Senate amendments to H. F. No. 1824, 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. 1782, A bill for an act relating to natural resources; enacting the lake improvement district act; providing for the creation, powers, and termination of lake improvement districts; amending Minnesota Statutes 1984, sections 378.41; 378.42; 378.43; 378.44; 378.46; 378.47; 378.51; 378.52; 378.55; 378.56; and 378.57; proposing coding for new law in Minnesota Statutes, chapter 378; repealing Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, R., moved that the House refuse to concur in the Senate amendments to H. F. No. 1782, 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. 1664, A bill for an act relating to local government; regulating contracts for the purchase of fuel by a municipality required for generation of municipal power; amending Minnesota Statutes 1984, section 471.345, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Redalen moved that the House concur in the Senate amendments to H. F. No. 1664 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1664, A bill for an act relating to local government; regulating contracts for the purchase of fuel by a municipality required for generation of municipal power; allowing municipalities to contract to buy sheltered workshop products without getting competitive bids; amending Minnesota Statutes 1984, section 471.345, 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 115 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Marsh	Peterson	Skoglund
Anderson, R.	Frerichs	McEachern	Piepho	Solberg
Backlund	Greenfield	McKasy	Piper	Sparby
Battaglia	Gruenes	McLaughlin	Price	Stanius
Beard	Gutknecht	McPherson	Quinn	Staten
Becklin	Halberg	Metzen	Quist	Sviggum
Begich	Hartinger	Miller	Redalen	Thiede
Bennett	Hartle	Minne	Rees	Thorson
Bishop	Haukoos	Munger	Rest	Tjornhom
Boo	Jacobs	Murphy	Rice	Tomlinson
Brandl	Jennings, L.	Nelson, D.	Richter	Tompkins
Brinkman	Johnson	Nelson, K.	Riveness	Tunheim
Brown	Kahn	Neuenschwander	Rodosovich	Uphus
Carlson, D.	Kelly	Norton	Rose	Valento
Carlson, L.	Kiffmeyer	Ogren	Sarna	Vanasek
Clark	Knickerbocker	Olson, E.	Schafer	Vellenga
Clausnitzer	Knuth	Omann	Scheid	Voss
Cohen	Kostohryz	Onnen	Schoenfeld	Waltman
Dempsey	Krueger	Osthoff	Seaberg	Welle
Dimler	Kvam	Otis	Segal	Wenzel
Dyke	Levi	Ozment	Shaver	Wynia
Elioff	Lieder	Pappas	Sherman	Zaffke
Erickson	Long	Pauly	Simoneau	Spk. Jennings, D.

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. 1806, A bill for an act relating to financial institutions; permitting state banks and credit unions to offer self-directed individual retirement accounts; amending Minnesota Statutes 1984, section 48.15, by adding a subdivision; and Minnesota Statutes 1985 Supplement, section 52.04, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rees moved that the House concur in the Senate amendments to H. F. No. 1806 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1806, A bill for an act relating to financial institutions; permitting state banks and credit unions to offer self-directed individual retirement accounts; removing loans made by the energy and economic development authority from a bank's lending limitations; amending Minnesota Statutes 1984, sections 48.15, by adding a subdivision; 48.24, subdivision 5; and Minnesota Statutes 1985 Supplement, section 52.04, subdivision 1.

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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Lieder	Pauly	Skoglund
Anderson, R.	Forsythe	Long	Peterson	Solberg
Backlund	Frerichs	Marsh	Piepho	Sparby
Battaglia	Greenfield	McDonald	Piper	Stanius
Beard	Gruenes	McEachern	Price	Staten
Becklin	Gutknecht	McKasy	Quinn	Sviggum
Begich	Halberg	McLaughlin	Quist	Thiede
Bennett	Hartinger	McPherson	Redalen	Thorson
Bishop	Hartle	Miller	Rees	Tjornhom
Boo	Haukoos	Minne	Rest	Tomlinson
Brandl	Himle	Munger	Rice	Tompkins
Brinkman	Jacobs	Murphy	Richter	Tunheim
Brown	Jaros	Nelson, D.	Riveness	Uplus
Burger	Jennings, L.	Nelson, K.	Rodosovich	Valento
Carlson, D.	Johnson	Neuenschwander	Rose	Vanasek
Carlson, L.	Kahn	Norton	Sarna	Vellenga
Clark	Kelly	Ogren	Schafer	Voss
Clausnitzer	Kiffmeyer	Olson, E.	Scheid	Waltman
Cohen	Knickerbocker	Omann	Schoenfeld	Welle
Dempsey	Knuth	Onnen	Seaberg	Wenzel
Dimler	Kostohryz	Osthoff	Segal	Wynia
Dyke	Krueger	Otis	Shaver	Zaffke
Elioff	Kvam	Ozment	Sherman	Spk. Jennings, D.
Erickson	Levi	Pappas	Simoneau	

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. 1185, A bill for an act relating to transportation; advertising devices; authorizing advertising on certain telephone booths; amending Minnesota Statutes 1984, section 160.27, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 1185 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1185, A bill for an act relating to transportation; advertising devices; authorizing advertising on certain telephone booths; amending Minnesota Statutes 1984, section 160.27, subdivision 3.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Lieder	Pappas	Simoneau
Backlund	Frederick	Long	Pauly	Skoglund
Battaglia	Frerichs	Marsh	Peterson	Solberg
Beard	Greenfield	McDonald	Piepho	Sparby
Becklin	Gruenes	McEachern	Piper	Stanius
Begich	Gutknecht	McKasy	Price	Staten
Bennett	Halberg	McLaughlin	Quinn	Svigum
Bishop	Hartinger	McPherson	Quist	Thiede
Blatz	Hartle	Metzen	Redalen	Thorson
Boo	Haukoos	Miller	Rees	Tjornhom
Brandl	Himle	Minne	Rest	Tomlinson
Brinkman	Jacobs	Munger	Rice	Tompkins
Brown	Jaros	Murphy	Richter	Tunheim
Burger	Jennings, L.	Nelson, D.	Riveness	Uphus
Carlson, D.	Johnson	Nelson, K.	Rodosovich	Valento
Carlson, L.	Kahn	Neuenschwander	Rose	Vanasek
Clark	Kelly	Norton	Sarna	Vellenga
Clausnitzer	Kiffmeyer	Ogren	Schafer	Voss
Cohen	Knickerbocker	Olson, E.	Scheid	Waltman
Deimpsey	Knuth	Omann	Schoenfeld	Welle
Dyke	Kostohryz	Onnen	Seaberg	Wenzel
Elioff	Krueger	Osthoff	Segal	Wynia
Erickson	Kvam	Otis	Shaver	Zaffke
Fjoslien	Levi	Ozment	Sherman	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.

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. 1860, A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Forsythe moved that the House refuse to concur in the Senate amendments to H. F. No. 1860, 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. 1919, A bill for an act relating to education; imposing a limit on participation; eliminating state tuition reimbursement for courses taken for post-secondary credit; making other modifications to the post-secondary enrollment options program; providing options for swimming classes in junior high schools; amending Minnesota Statutes 1984, sections 123.35, by adding a subdivision; 124A.034, subdivisions 1 and 2; 363.03, subdivision 5; Minnesota Statutes 1985 Supplement, section 123.3514, subdivisions 3, 4, 5, 6, 8, and 10, and by adding subdivisions; and Laws 1985, First Special Session chapter 12, article 5, section 7; proposing coding for new law in Minnesota Statutes, chapter 126.

PATRICK E. FLAHAVEN, Secretary of the Senate

Levi moved that the House refuse to concur in the Senate amendments to H. F. No. 1919, 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. 1940, A bill for an act relating to Stearns county; authorizing the Stearns county board to designate the county auditor as the local registrar of the county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Gruenes moved that the House concur in the Senate amendments to H. F. No. 1940 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1940, A bill for an act relating to Stearns county; authorizing the Stearns county board to designate the county auditor as the local registrar of the county.

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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Long	Peterson	Sparby
Anderson, R.	Frerichs	Marsh	Piepho	Stanius
Backlund	Greenfield	McDonald	Piper	Staten
Battaglia	Gruenes	McEachern	Price	Sviggum
Beard	Gutknecht	McKasy	Quinn	Thiede
Becklin	Halberg	McLaughlin	Quist	Thorson
Begich	Hartinger	McPherson	Redalen	Tjornhom
Bennett	Hartle	Metzen	Rees	Tomlinson
Bishop	Haukoos	Miller	Rest	Tompkins
Boo	Heap	Minne	Rice	Tunheim
Brandl	Himle	Munger	Richter	Uphus
Brinkman	Jacobs	Murphy	Riveness	Valento
Brown	Jaros	Nelson, D.	Rodosovich	Vanasek
Burger	Jennings, L.	Nelson, K.	Rose	Vellenga
Carlson, D.	Johnson	Neuenschwander	Sarna	Voss
Carlson, L.	Kahn	Norton	Schafer	Waltman
Clark	Kelly	Ogren	Scheid	Welle
Clausnitzer	Kiffmeyer	Olson, E.	Schoenfeld	Wenzel
Cohen	Knickerbocker	Omann	Seaberg	Wynia
Dempsey	Knuth	Onnen	Segal	Zaffke
Dimler	Kostohryz	Osthoff	Shaver	Spk. Jennings, D.
Dyke	Krueger	Otis	Sherman	
Elioff	Kvam	Ozment	Simoneau	
Erickson	Levi	Pappas	Skoglund	
Fjoslien	Lieder	Pauly	Solberg	

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. 1871, A bill for an act relating to veterans; clarifying certain terms; providing for payment of compensation to certain patients and residents of state institutions; amending Minnesota Statutes 1984, section 246.151; and Minnesota Statutes 1985 Supplement, section 136C.13, subdivision 4.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Fjoslien moved that the House concur in the Senate amendments to H. F. No. 1871 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1871, A bill for an act relating to veterans; providing for payment of compensation to certain patients and residents of state institutions; amending Minnesota Statutes 1984, section 246.151.

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 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Knickerbocker	Norton	Sarna
Anderson, R.	Elioff	Knuth	Ogren	Schafer
Backlund	Erickson	Kostohryz	Oison, E.	Scheid
Battaglia	Fjoslien	Krueger	Omann	Schoenfeld
Beard	Frederick	Kvam	Onnen	Seaberg
Becklin	Frerichs	Levi	Osthoff	Segal
Begich	Gruenes	Lieder	Otis	Shaver
Bennett	Gutknecht	Long	Ozment	Sherman
Bishop	Halberg	Marsh	Pappas	Simoneau
Boo	Hartinger	McEachern	Pauly	Skoglund
Brandl	Hartle	McKasy	Peterson	Solberg
Brinkman	Haukoos	McLaughlin	Piepho	Sparby
Brown	Heap	McPherson	Piper	Stanius
Burger	Himle	Metzen	Price	Staten
Carlson, D.	Jacobs	Miller	Quinn	Sviggum
Carlson, L.	Jaros	Minne	Quist	Thiede
Clark	Jennings, L.	Munger	Rest	Thorson
Clausnitzer	Johnson	Murphy	Rice	Tjornhom
Cohen	Kahn	Nelson, D.	Richter	Tomlinson
Dempsey	Kelly	Nelson, K.	Riveness	Tompkins
Dimler	Kiffmeyer	Neuenschwander	Rodosovich	Tunheim

Uphus
Valento
Vanasek

Vellenga
Voss

Waltman
Welle

Wenzel
Wynia

Zaffke
Spk. Jennings, D.

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 File, herewith transmitted:

S. F. No. 1975.

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. 1725.

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. 164 and 2101.

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. 1868 and 2147.

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. 1814, 2054 and 2102.

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. 1515, 1745, 2014 and 2222.

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. 1702, 1966 and 2262.

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. 707, 1065 and 1930.

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. 2098 and 2135.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1975, A bill for an act relating to venue of actions; modifying venue in actions to recover possession of personal property; amending Minnesota Statutes 1984, section 542.06.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Bishop moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1975 be given

its second and third readings and be placed upon its final passage. The motion prevailed.

Bishop moved that the rules of the House be so far suspended that S. F. No. 1975 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1975 was read for the second time.

S. F. No. 1975, A bill for an act relating to venue of actions; modifying venue in actions to recover possession of personal property; amending Minnesota Statutes 1984, section 542.06.

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, G.	Erickson	Levi	Pauly	Skoglund
Anderson, R.	Fjoslien	Lieder	Peterson	Solberg
Backlund	Forsythe	Long	Piepho	Sparby
Battaglia	Frerichs	Marsh	Piper	Stanius
Beard	Greenfield	McDonald	Price	Staten
Becklin	Gruenes	McEachern	Quinn	Sviggum
Begich	Gutknecht	McKasy	Quist	Thiede
Bennett	Halberg	McLaughlin	Redalen	Thorson
Bishop	Hartinger	McPherson	Rees	Tjornhom
Blatz	Hartle	Metzen	Rest	Tomlinson
Boo	Haukoos	Miller	Rice	Tompkins
Brandl	Heap	Minne	Richter	Tunheim
Brinkman	Himle	Munger	Riveness	Uphus
Brown	Jacobs	Murphy	Rodosovich	Valento
Burger	Jaros	Nelson, D.	Rose	Vanasek
Carlson, D.	Jennings, L.	Nelson, K.	Sarna	Vellenga
Carlson, L.	Johnson	Neuenschwander	Schafer	Voss
Clark	Kahn	Norton	Scheid	Waltman
Clausnitzer	Kelly	Ogren	Schoenfeld	Welle
Cohen	Kiffmeyer	Omann	Schreiber	Wenzel
Dempsey	Knickerbocker	Onnen	Seaberg	Wynia
DenOuden	Knuth	Osthoff	Segal	Zaifke
Dimler	Kostohryz	Otis	Shaver	Spk. Jennings, D.
Dyke	Krueger	Ozment	Sherman	
Elioff	Kvam	Pappas	Simoneau	

The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1725, A bill for an act relating to the city of East Grand Forks; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Lieder moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1725 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Lieder moved that the rules of the House be so far suspended that S. F. No. 1725 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1725 was read for the second time.

Valento moved to amend S. F. No. 1725, as follows:

Page 2, after line 20, insert:

“Sec. 4. Minnesota Statutes 1984, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.

(a) “Natural resources” has the meaning given it in section 116B.02, subdivision 4.

(b) “Pollution, impairment or destruction” has the meaning given it in section 116B.02, subdivision 5.

(c) “Environmental assessment worksheet” means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) “Governmental action” means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved by units of government including the federal government.

(e) “Governmental unit” means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 112, counties, towns, cities, port authorities (AND), housing authorities, and economic development authorities established under sections 17 to 37, but not including courts, school districts and regional development commissions other than the metropolitan council.

Sec. 5. Minnesota Statutes 1984, section 117.521, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivisions 1 and 2 shall not apply to the acquisition of properties situated wholly or in part within any district for development authorized under Laws 1971, Chapters 548 or 677; or Laws 1973, Chapters 196, 761, or 764; or Laws 1974, Chapter 485; or Minnesota Statutes, Chapters 462, (OR) 458; or sections 17 to 37.

Sec. 6. Minnesota Statutes 1984, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, port authority, *economic development authority established under sections 17 to 37*, municipal auditorium, airport owned by a city, town, county or group thereof but not the metropolitan airports commission, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp, concourse, passenger check-in area or ticket sale counter, boarding area or luggage claim area in connection with a public airport; provided that real estate which is owned by a municipality in connection with the operation of a public airport and which is leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 7. Minnesota Statutes 1984, section 273.72, is amended to read:

273.72 [STATEMENT OF PURPOSE.]

The statutes governing the use of tax increment financing in Minnesota have evolved over a long period of time and exist in several different special and general laws. These laws are sometimes inconsistent and provide varying procedures which render them difficult to administer. It is the intent of the legislature, by enacting the Minnesota tax increment financing act, to ratify and confirm the findings, declarations and determinations made by the legislature in connection with chapters 362A, 458, *sections 17 to 37*, 462, 472A and 474 and to establish a uniform set of standards and procedures to be followed when using this method of financing.

Sec. 8. Minnesota Statutes 1984, section 273.73, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] "Authority" means a rural development financing authority created pursuant to chapter 362A, a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; *an economic development authority created pursuant to sections 17 to 37*; a redevelopment agency as defined by chapter 474; a municipality which is administering a development district created pursuant to chapter 472A or any special law, a municipality which undertakes a project pursuant to chapter 474; or a municipality which exercises the powers of a port authority pursuant to any general or special law.

Sec. 9. Minnesota Statutes 1984, section 273.73, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as defined in section 362A.01; an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 29, subdivision 1*; a project as defined in section 462.421, subdivision 14; a development district as defined in chapter 472A or any special law; or a project as defined in section 474.02, subdivisions 1, 1a or 1b.

Sec. 10. Minnesota Statutes 1985 Supplement, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter

458, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 17 to 37, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (a) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (b) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 273.77 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (c) not more than 50 percent of the estimated tax increment derived from a project may be used to finance an interest reduction program for owner-occupied single-family dwellings unless a project is located either in an area which would qualify as a redevelopment district or within a city designated as an enterprise zone pursuant to section 273.1312, subdivision 4, clause (c)(3). These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality.

Sec. 11. Minnesota Statutes 1984, section 273.86, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] A developer proposing to construct improvements on property located within an industrial development district as defined in section 458.191, subdivision 1;

an economic development district as defined in section 29, subdivision 1; a development district as defined in section 472A.02, subdivision 3, or any special law; or a redevelopment project as defined in section 462.421, subdivision 14 may apply to the governing body of the city or municipality in which the property is located to obtain deferral of property tax on the improved property, stating the nature and location of the proposed improvement, its estimated cost, and the projected length of construction time. If the governing body finds that the proposed development is consistent with the requirements of the above referred sections, it may approve the application. If the application is approved by June 30, the tax exemption shall be in effect for taxes paid the following year; if it is approved later than June 30, the exemption shall be in effect for taxes paid in the second subsequent taxable year.

Sec. 12. Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employe":

(a) Elected or appointed officers and employees of elected officers.

(b) District court reporters.

(c) Officers and employees of the public employees retirement association.

(d) Employees of the League of Minnesota Cities.

(e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.

(f) Employees of a school district who receive separate salaries for driving their own buses.

(g) Employees of the Association of Minnesota Counties.

(h) Employees of the Metropolitan Inter-County Association.

(i) Employees of the Minnesota Municipal Utilities Association.

(j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.

(k) Employees of the Minneapolis employees retirement fund, if employment initially commences on or after July 1, 1979.

(l) Employees of the Range Association of Municipalities and Schools.

(m) Employees of the soil and water conservation districts.

(n) Employees of a county historical society.

(o) *Employees of an economic development authority created under sections 17 to 37.*

Sec. 13. Minnesota Statutes 1984, section 355.11, subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 462.415 to 462.705 and any soil and water conservation district organized pursuant to chapter 40 or any port authority organized pursuant to chapter 458, or any economic development authority organized pursuant to sections 17 to 37, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Sec. 14. Minnesota Statutes 1985 Supplement, section 395.08, is amended to read:

395.08 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

A county board may appropriate not more than (\$25,000) \$50,000 annually out of the general revenue fund of the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county.

Sec. 15. [458.091] [COMPLIANCE EXAMINATIONS; FINANCIAL AUDITS.]

At the request of the city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving fund of the state auditor. Each authority shall hire a certified public accountant to annually audit the authority's financial statements. For purposes of this section "authority" includes a port authority created under chapter 458 or any other law and an economic development authority established under sections 17 to 37.

Sec. 16. [458.101] [NO STATE BAILOUT OF PORT AUTHORITIES.]

State appropriations or credit of the state must not be used to pay or guarantee the payment of the debt of a port authority.

Sec. 17. [458C.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] In sections 17 to 37, the terms defined in this section have the meaning given them.

Subd. 2. [AUTHORITY.] "Authority" means an economic development authority, unless specified otherwise.

Subd. 3. [CITY.] "City" means a home rule charter or statutory city.

Subd. 4. [DEVELOPMENT.] "Development" includes redevelopment, and developing includes redeveloping.

Subd. 5. [COST OF REDEVELOPMENT.] "Cost of redevelopment" means, with respect to an economic development district project, the cost of

(a) acquiring property, whether by purchase, lease, condemnation, or otherwise;

(b) demolishing or removing structures or other improvements on acquired properties;

(c) correcting soil deficiencies necessary to develop or use the property for an appropriate use as determined by the authority;

(d) constructing or installing public improvements, including streets, roads, and utilities;

(e) providing relocation benefits to the occupants of acquired properties;

(f) planning, engineering, legal and other services necessary to carry out the functions listed in clauses (a) to (e); and

(g) the allocated administrative expenses of the authority for the project.

Sec. 18. [458C.03] [ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT.]

A city may, by adopting an enabling resolution in compliance with the procedural requirements of section 20, establish an eco-

conomic development authority that, subject to section 19, has the powers contained in sections 17 to 37 and a housing and redevelopment authority under chapter 462 or other law, and a city under chapter 472A or other law. If the economic development authority exercises the powers of a housing and redevelopment authority contained in chapter 462 or other law, the city shall exercise the powers relating to a housing and redevelopment authority granted to a city by chapter 462 or other law.

Sec. 19. [458C.04] [LIMIT OF POWERS.]

Subdivision 1. [RESOLUTION.] The enabling resolution may impose the following limits upon the actions of the authority:

(1) *that the authority must not exercise any specified powers contained in sections 17 to 37, chapters 462 and 472A or that the authority must not exercise any powers without the prior approval of the city council;*

(2) *that, except when previously pledged by the authority, the city council may, by resolution, require the authority to transfer any portion of the reserves generated by activities of the authority that the city council determines is not necessary for the successful operation of the authority, to the city general fund, to be used for any general purpose of the city;*

(3) *that the sale of all bonds or obligations issued by the authority be approved by the city council before issuance;*

(4) *that the authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor;*

(5) *that all official actions of the authority must be consistent with the adopted comprehensive plan of the city, and any official controls implementing the comprehensive plan;*

(6) *that the authority submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval;*

(7) *that the authority submit its administrative structure and management practices to the city council for approval; and*

(8) *any other limitation or control established by the city council by the enabling resolution.*

Subd. 2. [MODIFICATION OF RESOLUTION.] The enabling resolution may be modified at any time, subject to subdivision 5, and provided that any modification is made in accordance with section 20.

Subd. 3. [REPORT ON RESOLUTION.] Without limiting the right of the authority to petition the city council at any time, each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the authority, and make any modification it considers appropriate. Modifications must be made in accordance with the procedural requirements of section 20.

Subd. 4. [COMPLIANCE.] The city council's determination that the authority has complied with the limitations imposed under this section is conclusive.

Subd. 5. [LIMITS; SECURITY.] Limits imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed before the limit is imposed. The city council must not modify any limit in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Sec. 20. [458C.05] [PROCEDURAL REQUIREMENT.]

Subdivision 1. [ENABLING RESOLUTION.] The creation of an authority by a city must be by written resolution known as the enabling resolution. Before adopting the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear not more than 30 days from the date of the public hearing.

Subd. 2. [MODIFICATIONS.] All modifications to the enabling resolution must be by written resolution and must be adopted after notice is given and a public hearing conducted as required for the original adoption of the enabling resolution.

Sec. 21. [458C.06] [TRANSFER OF AUTHORITY.]

Subdivision 1. [ECONOMIC DEVELOPMENT, HOUSING, REDEVELOPMENT POWERS.] The city may, by ordinance, divide any economic development, housing, and redevelopment powers granted under chapter 462 and this chapter between the economic development authority and any other authority or commission established under statute or city charter for economic development, housing, or redevelopment.

Subd. 2. [PROJECT CONTROL, AUTHORITY, OPERATION.] The city may, by resolution, transfer the control, au-

thority, and operation of any project as defined in section 273.73, subdivision 8, or any other program or project authorized by chapter 462 or 472A located within the city, from the governmental agency or subdivision that established the project to the economic development authority. The city council may also require acceptance of control, authority, and operation of the project by the economic development authority. The economic development authority may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the economic development authority, the authority shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The economic development authority may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds and shall become obligated on the bonds when the project or program is transferred as provided in this subdivision.

Subd. 3. [TRANSFER OF PERSONNEL.] Notwithstanding any other law or charter provision to the contrary, the city council may, by resolution, place any employees of the housing and redevelopment authority under the direction, supervision, or control of the economic development authority. The placement of any employees under the direction, supervision, or control of the economic development authority does not affect the rights of any employees of the housing and redevelopment authority, including any rights existing under a collective bargaining agreement or fringe benefit plan. The employees shall become employees of the economic development authority.

Sec. 22. [458C.07] [ECONOMIC DEVELOPMENT AUTHORITY.]

An economic development authority is a public body corporate and politic and a political subdivision of the state with the right to sue and be sued in its own name. An authority carries out an essential governmental function when it exercises its power, but the authority is not immune from liability because of this.

Sec. 23. [458C.08] [COMMISSIONERS; APPOINTMENT, TERMS, VACANCIES, PAY, REMOVAL.]

Subdivision 1. [COMMISSIONERS.] Except as provided in subdivision 2, clause (d), an economic development authority shall consist of either three, five, or seven commissioners who shall be appointed after the enabling resolution provided for in section 14 becomes effective. The resolution must indicate the number of commissioners constituting the authority.

Subd. 2. [APPOINTMENT, TERMS; VACANCIES.] (a) Three-member authority: the commissioners constituting a three-member authority, one of whom must be a member of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, four, and six years, respectively. Thereafter all commissioners shall be appointed for six-year terms.

(b) Five-member authority: the commissioners constituting a five-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, three, four, and five years respectively and one member for six years. Thereafter all commissioners shall be appointed for six-year terms.

(c) Seven-member authority: the commissioners constituting a seven-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of one, two, three, four, and five years respectively and two members for six years. Thereafter all commissioners shall be appointed for six-year terms.

(d) The enabling resolution may provide that the members of the city council shall serve as the commissioners.

(e) The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b) and (c).

(f) A vacancy is created in the membership of an authority when a city council member of the authority ends council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made. The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.

Subd. 3. [INCREASE IN COMMISSION MEMBERS.] An authority may be increased from three to five or seven members, or from five to seven members by a resolution adopted by the city council following the procedure provided for modifying the enabling resolution in section 20.

Subd. 4. [COMPENSATION AND REIMBURSEMENT.] A commissioner, including the president, shall be paid for attending each regular or special meeting of the authority in an amount to be determined by the city council. In addition to receiving pay for meetings, the commissioners may be reimbursed for actual expenses incurred in doing official business of the au-

thority. All money paid for compensation or reimbursement must be paid out of the authority's budget.

Subd. 5. [REMOVAL FOR CAUSE.] A commissioner may be removed by the city council for inefficiency, neglect of duty, or misconduct in office. A commissioner shall be removed only after a hearing. A copy of the charges must be given to the commissioner at least ten days before the hearing. The commissioner must be given an opportunity to be heard in person or by counsel at the hearing. When written charges have been submitted against a commissioner, the city council may temporarily suspend the commissioner. If the city council finds that those charges have not been substantiated, the commissioner shall be immediately reinstated. If a commissioner is removed, a record of the proceedings, together with the charges and findings, shall be filed in the office of the city clerk.

Sec. 24. [458C.09] [OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.]

Subdivision 1. [BYLAWS, RULES, SEAL.] An authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. [OFFICERS.] An authority shall elect a president, a vice-president, a treasurer, a secretary, and an assistant treasurer. The authority shall elect the president, treasurer, and secretary annually. A commissioner must not serve as president and vice-president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Subd. 3. [DUTIES AND POWERS.] The officers have the usual duties and powers of their offices. They may be given other duties and powers by the authority.

Subd. 4. [TREASURER'S DUTIES.] The treasurer:

- (1) shall receive and is responsible for authority money;*
- (2) is responsible for the acts of the assistant treasurer;*
- (3) shall disburse authority money by check only;*
- (4) shall keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements; and*
- (5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.*

Subd. 5. [ASSISTANT TREASURER.] The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. [TREASURER'S BOND.] The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with the secretary. The bond must be for twice the amount of money probably on hand at any one time, as determined at least annually by the authority. However, the bond must not exceed \$300,000.

Subd. 7. [PUBLIC MONEY.] Authority money is public money.

Subd. 8. [CHECKS.] An authority check must be signed by the treasurer and one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. [FINANCIAL STATEMENT.] The authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities in a form required for the city's financial statements. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Sec. 25. [458C.10] [EMPLOYEES; SERVICES; SUPPLIES.]

Subdivision 1. [EMPLOYEES.] An economic development authority may employ an executive director, a chief engineer, other technical experts and agents, and other employees as it may require, and determine their duties, qualifications, and compensation.

Subd. 2. [CONTRACT FOR SERVICES.] The authority may contract for the services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Subd. 3. [LEGAL SERVICES.] The authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the authority, is its chief legal advisor.

Subd. 4. [SUPPLIES.] The authority may purchase the supplies and materials it needs to carry out sections 17 to 37.

Subd. 5. [CITY PURCHASING.] An authority may use the facilities of its city's purchasing department in connection with

construction work and to purchase equipment, supplies, or materials.

Subd. 6. [CITY FACILITIES, SERVICES.] A city may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to its authority.

Subd. 7. [DELEGATION POWER.] The authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

Sec. 26. [458C.11] [CONFLICT OF INTEREST.]

Except as authorized in section 471.88 a commissioner, officer, or employee of an authority must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

Sec. 27. [458C.12] [DEPOSITORIES; DEFAULT; COLLATERAL.]

Subdivision 1. [NAMED; BOND.] Every two years an authority shall name national or state banks within the state as depositories. Before acting as a depository, a named bank shall give the authority a bond approved as to form and surety by the authority. The bond must be conditioned for the safekeeping and prompt repayment of deposits. The amount of bond must be at least equal to the maximum sums expected to be deposited at any one time.

Subd. 2. [ONE BANK ACCOUNT.] An authority may deposit all its money from any source in one bank account.

Subd. 3. [DEFAULT; COLLATERAL.] When authority funds are deposited by the treasurer in a bonded depository, the treasurer and the surety on the treasurer's official bond are exempt from liability for the loss of the deposits because of the failure, bankruptcy, or other act or default of the depository. However, an authority may accept assignments of collateral from its depository to secure deposits just as assignments of collateral are permitted by law to secure deposits of the authority's city.

Sec. 28. [458C.13] [OBLIGATIONS.]

Subdivision 1. [TAXES AND ASSESSMENTS PROHIBITED.] An authority must not levy a tax or special assessment, except as otherwise provided in sections 17 to 37, pledge the credit of the state or the state's municipal corporations or other subdivisions, or incur an obligation enforceable on property not owned by the authority.

Subd. 2. [BUDGET TO CITY.] Annually, at a time fixed by charter, resolution, or ordinance of the city, an authority shall send its budget to its city's council. The budget must include a detailed written estimate of the amount of money that the authority expects to need from the city to do authority business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Subd. 3. [FISCAL YEAR.] The fiscal year of the authority must be the same as the fiscal year of its city.

Subd. 4. [REPORT TO CITY.] Annually, at a time and in a form fixed by the city council, the authority shall make a written report to the council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the city.

Subd. 5. [AUDITS.] The financial statements of the authority must be prepared, audited, filed, and published or posted in the manner required for the financial statements of the city that established the authority. The financial statements must permit comparison and reconciliation with the city's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the authority.

Sec. 29. [458C.14] [ECONOMIC DEVELOPMENT DISTRICTS; SCHEDULE OF POWERS.]

Subdivision 1. [ESTABLISHMENT.] An economic development authority may create and define the boundaries of economic development districts at any place or places within the city and may use the powers granted in sections 17 to 37 to carry out its purposes. First the authority must hold a public hearing on the matter. At least ten days before the hearing, the authority shall publish notice of the hearing in a daily newspaper of general circulation in the city. Also, the authority shall find that an economic development district is proper and desirable to establish and develop within the city.

Subd. 2. [ACQUIRE PROPERTY.] The economic development authority may acquire by lease, purchase, gift, devise, or condemnation proceedings the needed right, title, and interest in property to create economic development districts. It shall pay for the property out of money it receives under sections 17 to 37. It may hold and dispose of the property subject to the limits and conditions in sections 17 to 37. The title to property acquired by condemnation or purchase must be in fee simple, absolute. The authority may accept an interest in property acquired in another way subject to any condition of the grantor or donor. The condition must be consistent with the proper use of the property under

sections 17 to 37. Property acquired, owned, leased, controlled, used, or occupied by the authority for any of the purposes of this section is for public governmental and municipal purposes and is exempt from taxation by the state or by its political subdivisions. The exemption applies only while the authority holds property for its own purpose. The exemption is subject to the provisions of section 272.02, subdivision 5. When property is sold it begins to be taxed again.

Subd. 2a. [OPTIONS.] The economic development authority may sign options to purchase, sell, or lease property.

Subd. 3. [EMINENT DOMAIN.] The economic development authority may use eminent domain under chapter 117, or under its city's charter to acquire property it is authorized to acquire by condemnation. The authority may acquire in this way property acquired by its owner by eminent domain or property already devoted to a public use only if its city's council approves. The authority may possess property to be condemned after it files a petition in condemnation proceedings describing the property. The authority may abandon the condemnation before taking possession.

Subd. 4. [CONTRACTS.] The economic development authority may make contracts for the purpose of economic development within the powers given it in sections 17 to 37. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority's powers or doing its duties. The authority may contract to purchase and sell real and personal property. However, an obligation or expense must not be incurred except when existing appropriations together with the reasonable expected revenue of the authority from other sources are sufficient to discharge the obligation or pay the expense when due. The state and its municipal subdivisions are not liable on the obligations.

Subd. 4a. [LIMITED PARTNER.] The economic development authority may be a limited partner in a partnership whose purpose is consistent with the authority's purpose.

Subd. 5. [RIGHTS; EASEMENTS.] The economic development authority may acquire rights or an easement for a term of years or perpetually for development of an economic development district.

Subd. 6. [SUPPLIES; MATERIALS.] The economic development authority may buy the supplies and materials it needs to carry out this section.

Subd. 7. [RECEIVE PUBLIC PROPERTY.] The economic development authority may accept land, money, or other assis-

tance, whether by gift, loan or otherwise, in any form from the federal or state government, or an agency of either, or a local subdivision of state government to carry out sections 17 to 37 and to acquire and develop an economic development district and its facilities under this section.

Subd. 8. [DEVELOPMENT DISTRICT AUTHORITY.] *The economic development authority may sell or lease land held by it for economic development in economic development districts. The authority may, if proper in the public interest, build suitable buildings or structures on land owned by it. The authority may furnish capital equipment permanently or used exclusively on the lands or in the buildings if necessary to the purposes of the buildings or structures. The authority must intend that the buildings, structures, and equipment be leased or sold to private persons to further develop the economic development district.*

The authority may acquire, develop, sell, or lease single or multiple tracts of land regardless of size, to be developed as a part of the economic development of the district under sections 17 to 37.

Subd. 9. [FOREIGN TRADE ZONE.] *The economic development authority may apply to the board defined in United States Code, title 19, section 81a, for the right to use the powers provided in United States Code, title 19, sections 81a to 81u. If the right is granted, the authority may use the powers. One authority may apply with another authority.*

Subd. 10. [RELATION TO CHAPTER 474.] *The economic development authority may exercise powers and duties of a re-development agency under chapter 474, for a purpose in sections 17 to 37 or 462.411 to 462.705. The authority may also use the powers and duties in sections 17 to 37 and 462.411 to 462.705 for a purpose in chapter 474.*

Subd. 11. [PUBLIC FACILITIES.] *The authority may operate and maintain a public parking facility or other public facility to promote development in an economic development district.*

Sec. 30. [458C.15] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [AUTHORITY; PROCEDURE.] *An economic development authority may issue general obligation bonds in the principal amount authorized by two-thirds majority vote of its city's council. The bonds may be issued in anticipation of income from any source. The bonds may be issued: (1) to secure funds needed by the authority to pay for acquired property or (2) for other purposes in sections 17 to 37. The bonds must be in the amount and form and bear interest at the rate set by the city council. The authority shall sell the bonds to the highest bidder. The authority shall publish notice of the time and the*

place for receiving bids, once at least two weeks before the bid deadline. Sections 17 to 37 govern issuance of the bonds. When those sections are silent, chapter 475 governs. The authority when issuing the bonds is a municipal corporation under chapter 475. No election shall be required to authorize the issuance of the bonds except as provided in subdivision 2.

Subd. 2. [REFERENDUM ON PETITION.] Before the issuance of the bonds, the city council shall publish in the official newspaper of the city an initial resolution authorizing the issuance of the bonds, and if within 21 days after the publication there is filed with the city clerk a petition requesting an election on the proposition of issuing the bonds signed by a number of qualified voters greater than ten percent of the number who voted in the city at the last general election, the bonds must not be issued until the proposition has been approved by a majority of the votes cast on it at a regular or special election.

Subd. 3. [OUTSIDE DEBT LIMIT.] Bonds issued by the authority must not be included in the net debt of its city. Money received under this section must not be included in a per person limit on taxing or spending in the city's charter. The authority is also exempt from the limit.

Subd. 4. [DETAIL; MATURITY.] The authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. The bonds must mature serially. The first installment is due in not more than three years and the last in not more than 30 years from the date of issuance.

Subd. 5. [SIGNATURES; COUPONS; LIABILITY.] The bonds must be signed by the president of the authority, be attested by its secretary, and be countersigned by its treasurer; the signatures may be facsimile signatures. The interest coupons if any, must be attached to the bonds. The coupons must be executed and authenticated by the printed, engrossed, or lithographed facsimile signature of the authority's president and secretary. The bonds do not impose any personal liability on a member of the authority.

Subd. 6. [PLEDGE.] The bonds must be secured by the pledge of the full faith, credit, and resources of the issuing authority's city. The authority may pledge the full faith, credit, and resources of the city only if the city specifically authorizes the authority to do so. The city council must first decide whether the issuance of the bonds by the authority is proper in each case and if so, what amount of bonds to issue. The city council shall give specific consent in an ordinance to the pledge of the city's full faith, credit, and resources. The authority shall pay the principal amount of the bonds and the interest on it from taxes levied under this section to make the payment or from authority income from any source.

Subd. 7. [TAX LEVY.] An authority that issues bonds under this section, shall, before issuing them, levy a tax for each year on the taxable property in the authority's city. The tax must be for at least five percent more than the amount required to pay the principal and interest on the bonds as the principal and interest mature. The tax must be levied annually until the principal and interest are paid in full. After the bonds have been delivered to the purchasers, the tax must not be repealed until the debt is paid. After the bonds are issued, the authority need not take any more action to authorize extending, assessing, and collecting the tax. The authority's secretary shall immediately send a certified copy of the levy to the county auditor. The secretary shall send with the copy full information on the bonds for which the tax is levied. The county auditor shall extend and assess the levied tax annually until the principal and interest are paid in full. The authority shall transfer the surplus from the excess levy in this section to a sinking fund after the principal and interest for which the tax was levied and collected is paid. The authority may direct its secretary to send a certificate to the county auditor before October 15 in a year. The certificate must state how much available income including the amount in the sinking fund the authority will use to pay principal or interest or both on each specified issue of the authority's bonds. The auditor shall then reduce the bond levy for that year by that amount. The authority shall then set aside the certified amount and may not use it for any purpose except to pay the principal and interest on the bonds. The taxes in this section shall be collected and sent to the authority by the county treasurer under the law on collection of other taxes. The taxes must be used only to pay the bonds when due.

Subd. 8. [AUTHORIZED SECURITIES.] Bonds legally issued under this chapter are authorized securities under section 50.14. A savings bank, trust company, or insurance company may invest in them. A public or municipal corporation may invest its sinking funds in them. The bonds may be pledged by a bank or trust company as security for the deposit of public money in place of a surety bond.

The authority's bonds are instrumentalities of a public governmental agency.

Sec. 31. [458C.16] [REVENUE BONDS; PLEDGE; COVENANTS.]

Subdivision 1. [AUTHORITY.] An economic development authority may decide by resolution to issue its revenue bonds either at one time or in series from time to time. The revenue bonds may be issued to provide money to pay to acquire land needed to operate the authority, to purchase or construct facilities, to purchase, construct, install, or furnish capital equipment to operate a facility for economic development of any kind within the city, or to pay to extend, enlarge, or improve a project under its control. The issued bonds may include the

amount the authority considers necessary to establish an initial reserve to pay principal and interest on the bonds. The authority shall state in a resolution how the bonds and their attached interest coupons are to be executed.

Subd. 2. [FORM.] The bonds of each series issued by the authority under this section shall bear interest at a rate or rates, shall mature at the time or times within 30 years from the date of issuance and shall be in the form, whether payable to bearer, registrable as to principal, or fully registrable, as may be determined by the authority. Section 30, subdivision 8, applies to all bonds issued under this section, and the bonds and their coupons, if any, when payable to bearer, shall be negotiable instruments.

Subd. 3. [SALE.] The sale of revenue bonds issued by the authority shall be at public or private sale. The bonds may be sold in the manner and for the price that the authority determines to be for the best interest of the authority. The bonds may be made callable, and if so issued, may be refunded.

Subd. 4. [AGREEMENTS.] The authority may by resolution make an agreement or covenant with the bondholders or their trustee. The authority must first decide that the agreement or covenant is needed or desirable to do what the authority may do under this section and to assure that the revenue bonds are marketable and promptly paid.

Subd. 5. [REVENUE PLEDGE.] In issuing general obligation or revenue bonds, the authority may secure the payment of the principal and the interest on the bonds by a pledge of and lien on authority revenue. The revenue must come from the facility to be acquired, constructed, or improved with the bond proceeds or from other facilities named in the bond-authorizing resolutions. The authority also may secure the payment with its promise to impose, maintain, and collect enough rentals, rates and charges, for the use and occupancy of the facilities and for services furnished in connection with the use and occupancy, to pay its current expenses to operate and maintain the named facilities, and to produce and put enough net revenue in a special fund to meet the interest and principal requirements of the bonds, and to collect and keep any more money required by the resolutions. The authority shall decide what is current expense under this subdivision based on what is normal and reasonable under accepted accounting principles. Revenues pledged by the authority must not be used or pledged for any other authority purpose or to pay any other bonds issued under this section or under section 30, unless the other use or pledge is specifically authorized in the bond-authorizing resolutions.

Subd. 6. [NOT CITY DEBT.] Revenue bonds issued under this section are not a debt of the authority's city nor a pledge of that city's full faith and credit. The bonds are payable only

from project revenue as described in this section. A revenue bond must contain on its face a statement to the effect that the economic development authority and its named city do not have to pay the bond or the interest on it except from revenue and that the faith, credit, and taxing power of the city are not pledged to pay the principal of or the interest on the bond.

Subd. 7. [NOT APPLICABLE.] Sections 474.01, subdivisions 7a, 7b, and 8 and 474.02, subdivision 1d, do not apply to revenue bonds issued under this section and chapter 474 if the interest on the revenue bonds is subject to both state and federal income tax or if the revenue bond proceeds are not loaned by the authority to a private person.

Subd. 8. [TAX INCREMENT BONDS.] Obligations secured or payable from tax increment revenues and issued pursuant to this section or section 30 are subject to the provisions of section 273.77.

Sec. 32. [458C.17] [SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.]

Sections 474.16 to 474.23 apply to obligations issued under sections 17 to 37 that are limited by a federal limitation act defined in section 474.16, subdivision 5.

Sec. 33. [458C.18] [ADDITIONAL POWERS.]

Subdivision 1. [AS AGENT.] An economic development authority may cooperate with or act as agent for the federal or the state government, or a state public body, or an agency or instrumentality of a government or a public body to carry out sections 17 to 37 or any other related federal, state or local law in the area of economic development district improvement.

Subd. 2. [STUDIES, ANALYSIS, RESEARCH.] An authority may study and analyze economic development needs in the city, and ways to meet the needs. An authority may study the desirable patterns for land use for economic development and community growth and other factors affecting local economic development in the city and make the result of the studies available to the public and to industry in general. An authority may engage in research and give out information on economic development within the city.

Subd. 3. [PUBLIC RELATIONS.] To further an authorized purpose an authority may (1) join an official, industrial, commercial, or trade association, or another organization concerned with the purpose, (2) have a reception of officials who may contribute to advancing the city and its economic development, and (3) carry out other public relations activities to pro-

mote the city and its economic development. Activities under this subdivision have a public purpose.

Subd. 4. [ACCEPT PUBLIC LAND.] An authority may accept conveyances of land from all other public agencies, commissions or other units of government, if the land can be properly used by the authority in an economic development district, to carry out the purposes of sections 17 to 37.

Subd. 5. [ECONOMIC DEVELOPMENT.] An authority may carry out the law on economic development districts to develop and improve the lands in an economic development district to make it suitable and available for economic development uses and purposes. An authority may fill, grade, and protect the property and do anything necessary and expedient, after acquiring the property, to make it suitable and attractive as a tract for economic development. An authority may lease some or all of its lands or property and may set up local improvement districts in all or part of an economic development district.

In general, with respect to an economic development district, an authority may use all the powers given an economic development authority by law.

Subd. 6. [AS BORROWER.] An authority after authorizing bonds under section 30 or 31 may borrow to provide money immediately required for the bond purpose. The loans must not exceed the amount of the bonds. The authority shall by resolution decide the terms of the loans. The loans must be evidenced by negotiable notes due in not more than 12 months from the date of the loan payable to the order of the lender or to bearer, to be repaid with interest from the proceeds of the bonds when the bonds are issued and delivered to the bond purchasers. The loan must not be obtained from any commissioner of the authority or from any corporation, association, or other institution of which an authority commissioner is a stockholder or officer.

Subd. 7. [AS LENDER.] The proceeds of obligations issued by an authority under section 31 and temporary loans obtained under this section may be used to make or purchase loans for economic development facilities that the authority believes will require financing. To make or purchase the loans, the authority may enter into loan and related agreements, both before and after issuing the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units under terms and conditions the authority considers appropriate. A governmental unit in the state may apply, contract for, and receive the loans. Chapter 475 does not apply to the loans.

Subd. 8. [MINED SPACE DEVELOPMENT.] Upon delegation by a municipality as provided in section 472B.08, an authority may exercise any of the delegated powers in connection

with mined underground space development under sections 472B.03 to 472B.07.

Subd. 9. [CITY FACILITIES, SERVICES.] An authority city may furnish offices, structures, and space, stenographic, clerical, engineering, or other assistance to its authority.

Sec. 34. [458C.19] [SALE OF PROPERTY.]

Subdivision 1. [POWER.] An economic development authority may sell and convey property owned by it within the city or an economic development district. First, the authority must decide that the sale and conveyance are in the best interests of the city or district and its people, and that the transaction furthers its general plan of economic development. This section is not limited by other law on powers of economic development authorities.

Subd. 2. [NOTICE; HEARING.] An authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority's county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

Subd. 3. [DECISION; APPEAL.] The authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision. The appeal is made by filing a notice of appeal with the district court in the city or economic development district's county and serving the notice on the secretary of the authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary, capricious, or contrary to law.

Subd. 4. [TERMS.] The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the authority may consider the nature of the proposed use and the relation of the use to the improvement of the authority's city and the business and the facilities of the authority in general. The sale must be made on the authority's terms and conditions. The authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to

the bid considered by it to be most favorable considering the price and the specified intended use. The authority may also sell the property at private sale at a negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 17 to 37.

Subd. 5. [ONE-YEAR DEADLINE.] *The purchaser shall, within one year from the date of purchase, devote the property to its intended use, or shall begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the authority may cancel the sale and title to the property shall return to it. The authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the authority.*

Subd. 6. [COVENANT RUNNING WITH THE LAND.] *A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 17 to 37 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.*

Subd. 7. [PLANS; SPECIFICATIONS.] *A conveyance must not be made until the purchaser gives the authority plans and specifications to develop the property sold. The authority must approve the plans and specifications in writing. The preparation of final plans and specifications before the hearing on the sale is not required by this subdivision but the authority may make that requirement.*

Sec. 35. [458C.20] [ADVANCES BY AUTHORITY.]

An authority may advance its general fund money or its credit, or both, without interest, for the objects and purposes of sections 17 to 37. The advances must be repaid from the sale or lease, or both, of developed or redeveloped lands. If the money advanced for the development or redevelopment was obtained from the sale of the authority's general obligation bonds, then the advances must have not less than the average annual interest rate that is on the authority's general obligation bonds that are outstanding at the time the advances are made. The authority may advance repaid money for more objects and purposes of sections 17 to 37 subject to repayment in the same manner. The authority must still use rentals of lands acquired with advanced money to collect and maintain reserves to secure the payment of principal and interest on revenue bonds issued to finance economic development facilities, if the rentals have been pledged for that purpose under section 31. Advances made

to acquire lands and to construct facilities for recreation purposes if authorized by law need not be reimbursed under this section. Sections 17 to 37 do not exempt lands leased from the authority to a private person, or entity from assessments or taxes against the leased property while the lessee is liable for the assessments or taxes under the lease.

Sec. 36. [458C.22] [CITY MAY LEVY TAXES FOR ECONOMIC DEVELOPMENT AUTHORITY.]

Subdivision 1. [CITY TAX LEVY.] A city shall, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than .75 mill times the assessed valuation of taxable property in the city. The tax may be levied beyond levy limits in law. The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Subd. 2. [ADDITIONAL CITY TAX LEVY.] A city may levy an additional tax to be spent by and for its economic development authority. If levied, the tax must enable the authority to carry out efficiently and in the public interest sections 17 to 37 to create and develop economic development districts. The authority must request the tax levy. In any year the levy must not be for more than 7/60 of one mill on each dollar of assessed valuation of taxable property in the city. The county treasurer shall pay the money levied to the authority treasurer. The money may be spent by the authority to do its duties to create and develop economic development districts. In spending the money the authority must judge what best serves the public interest. The levy in this section is in addition to the levy in subdivision 1. The city may disregard any levy limit in law to make the levy in this section.

Subd. 3. [REVERSE REFERENDUM.] A city may increase its levy for economic development authority purposes under subdivision 1 in the following way. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or if none exists in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election.

Then the resolution is only effective if approved by a majority of those voting on the question. The commissioner of revenue shall prepare a suggested form of referendum question. The referendum must be held at a special or general election before October 1 of the year for which the levy increase is proposed.

Sec. 37. [458C.23] [SPECIAL LAW; OPTIONAL USE.]

A city that has established a port authority by special law or that has been granted the power to establish a port authority by special law, or a city whose city council has been authorized to exercise the powers of a port authority by special law may elect to use the powers granted in sections 17 to 37. If the election is made, the powers and duties set forth in sections 17 to 37 supersede the special law and the special law must not be used anymore. The use of powers under sections 17 to 37 by a city described in this section does not impair the security of any obligations issued or contracts or agreements executed under the special law. Control, authority, and operation of any project may be transferred to the authority in the manner provided in section 21.

Sec. 38. [LEGISLATIVE FINDINGS.]

The statement of policy and the findings of the legislature in enacting Laws 1957, chapter 812, are confirmed and apply equally to the exercise of powers by economic development authorities and statutory or home rule charter cities pursuant to sections 17 to 37.

Sec. 39. Minnesota Statutes 1984, section 462C.02, subdivision 6, is amended to read:

Subd. 6. "City" means any statutory or home rule charter city, or any public body which (a) is the housing and redevelopment authority in and for a city, (OR) the port authority of a city, or an economic development authority of a city established under sections 17 to 37, and (b) is authorized by ordinance to exercise, on behalf of a city, the powers conferred by sections 462C.01 to 462C.08.

Sec. 40. Minnesota Statutes 1984, section 462C.02, subdivision 9, is amended to read:

Subd. 9. "Targeted area" means

(a) a development district established pursuant to section 472A.03,

(b) a development district established pursuant to Laws 1971, Chapter 677 as amended,

(c) a redevelopment project established pursuant to section 462.521,

(d) an industrial development district established pursuant to section 458.191,

(e) a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income as estimated by the United States department of housing and urban development, (OR)

(f) an area of chronic economic distress designated by the Minnesota housing finance agency, *or*

(g) *an economic development district established pursuant to section 29.*

Sec. 41. Minnesota Statutes 1985 Supplement, section 462C.12, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board is granted the following powers:

(a) The board may issue obligations and other forms of indebtedness under this section, subject to the terms and conditions set forth in the joint powers agreement, as may be from time to time amended.

(b) The board is authorized to exercise the powers conferred upon the cities of Minneapolis and St. Paul and their designated housing and redevelopment authorities, or the powers of an agency exercising the powers of a housing and redevelopment authority by this chapter and chapter 462 and any other general or special law of the state of Minnesota relating to housing or housing finance. The powers which may be exercised by the board include, without limitation, the power to undertake and implement projects, developments, or programs, the power to issue and sell obligations and other forms of indebtedness payable exclusively from the revenues of the programs, projects, or developments undertaken by the board, or any of the powers the Minnesota housing finance agency may exercise under chapter 462A, provided that the obligations and other forms of indebtedness may be sold upon terms and conditions as the board may from time to time determine. The board may exercise the powers conferred by this section only with respect to projects, programs, or developments within the corporate limits of the cities of Minneapolis and St. Paul, except as may be otherwise provided in a joint powers agreement entered into under section 471.59 between the board and any other city, housing and redevelopment authority, (OR) port authority *or economic development authority established under sections 17 to 37 in the state of Minnesota.*

(c) For the purposes of section 462C.09, the board may be authorized by the cities of Minneapolis and St. Paul, or by any other city with which the board enters into a joint powers agreement, to issue revenue bonds or obligations in an amount not to exceed the amount of bonds allocated by general or special law to such cities, or the board may issue mortgage credit certificates in lieu thereof.

Sec. 42. Minnesota Statutes 1984, section 471.88, subdivision 1, is amended to read:

Subdivision 1. The governing body of any port authority, seaway port authority, *economic development authority*, town, school district, hospital district, county, or city, by unanimous vote, may contract for goods or services with an interested officer of the governmental unit in any of the following cases.

Sec. 43. Minnesota Statutes 1984, section 471.88, subdivision 9, is amended to read:

Subd. 9. When a port authority commissioner or *economic development authority commissioner* is engaged in or employed by a firm engaged in the business of importing or exporting or general trade, it shall be lawful for the authority to do business with the commissioner or his employer provided that in the fixing of any rates affecting shippers or users of the terminal facility, said commissioner shall not vote thereon.

Sec. 44. Minnesota Statutes 1984, section 471.88, subdivision 11, is amended to read:

Subd. 11. When a commissioner of any public housing (OR), port authority, or *economic development authority* is employed by a bank engaged in making loans or performing trust services involving real or personal property affected by any plan or such housing or port authority, no restriction shall apply to any such loans made or trust services performed by said bank if the commissioner shall disclose the nature of such loans or trust services of which he has personal knowledge, which disclosure shall be entered upon the minutes of such authority.

Sec. 45. Minnesota Statutes 1985 Supplement, section 472B.-04, is amended to read:

472B.04 [POWERS OF MUNICIPALITY.]

A municipality may, to accomplish the purposes of this chapter:

(1) exercise any or all powers enumerated in chapter 458, but only if the municipality has been granted authority to

exercise the powers enumerated in *sections 17 to 37*, chapters 458, 462, 472, 472A, and 474, in conjunction with the powers granted by this chapter;

(2) provide public facilities pursuant to chapters 429, 430, and any charter provision or any special law;

(3) acquire, by lease, purchase, gift, condemnation, or otherwise, land or interests in land, and convey land or interests in land. A municipality is empowered to acquire by condemnation any property, property right or interest in property, corporate or incorporeal, within its boundaries which may be needed by it for a project, for access, including surface and subsurface access, for ventilation, or for any other purpose which it finds by resolution to be needed by it in connection with mined underground space development; and the fact that the property or interest in property so needed has been acquired by the owner under the power of eminent domain, or is already devoted to a public use, or is owned by the University of Minnesota, any city, county, school district, town, other municipality, or other governmental subdivision, railroad, or public or private utility, shall not prevent its acquisition by the municipality by the exercise of the right of eminent domain hereby conferred, provided the existing use thereof is not impaired; the necessity of the taking of any property or interest in property by the municipality shall be determined by resolution duly adopted by the governing body of the municipality, which shall describe the property or interest as nearly as it may be described and state the use and purpose to which it is to be devoted; except as otherwise provided in this chapter, the right of eminent domain shall be exercised in accordance with chapter 117, provided that any exercise of the right of eminent domain hereby conferred shall not be for the purpose of preventing the development, mining, and use of mineral resources;

(4) acting alone or with others, acquire, purchase, construct, lease, mortgage, maintain, operate, and convey projects;

(5) borrow money to carry out the purposes of this chapter;

(6) enter into contracts, sue and be sued and do or accomplish all other acts and things necessary or convenient to carry out the purposes and policies of this chapter; and

(7) exercise bonding authority as provided in section 472B.-05.

Sec. 46. Minnesota Statutes 1984, section 474.02, subdivision 3, is amended to read:

Subd. 3. "Redevelopment agency" means any port authority referred to in chapter 458, or any city authorized by general or

special law to exercise the powers of a port authority; *any economic development authority referred to in sections 17 to 37*; any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority; and any area or municipal redevelopment agency referred to in chapter 472.

Sec. 47. Minnesota Statutes 1984, section 474.16, subdivision 2, is amended to read:

Subd. 2. "Local issuer" means any home rule charter or statutory city, any town, any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority, any port authority referred to in chapter 458, *any economic development authority referred to in sections 17 to 37*, or any body authorized to exercise the powers of a port authority, any area or municipal redevelopment agency referred to in chapter 472, any county, or any other municipal authority or agency established pursuant to special law other than the iron range resources and rehabilitation board, acting as an issuer of obligations pursuant to law.

Sec. 48. [EFFECTIVE DATE.]

Sections 4 to 47 are effective the day following final enactment."

Further, amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1725, A bill for an act relating to the city of East Grand Forks; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

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 116 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Brinkman	Dimler	Hartinger	Kelly
Backlund	Brown	Dyke	Hartle	Kiffmeyer
Battaglia	Burger	Elioff	Haukoos	Knickerbocker
Beard	Carlson, D.	Erickson	Heap	Knuth
Becklin	Carlson, L.	Fjoslien	Himle	Kostohryz
Begich	Clark	Frerichs	Jacobs	Krueger
Bennett	Clausnitzer	Greenfield	Jaros	Kvam
Bishop	Cohen	Gruenes	Jennings, L.	Levi
Boo	Dempsey	Gutknecht	Johnson	Lieder
Brandl	DenOuden	Halberg	Kahn	Long

Marsh	Olson, E.	Redalen	Simoneau	Valento
McEachern	Omann	Rest	Skoglund	Vanasek
McKasy	Onnen	Rice	Solberg	Vellenga
McLaughlin	Osthoff	Richter	Sparby	Voss
McPherson	Otis	Riveness	Stanius	Waltman
Metzen	Ozment	Rodosovich	Staten	Welle
Miller	Pappas	Rose	Sviggum	Wenzel
Minne	Pauly	Sarna	Thiede	Wynia
Munger	Peterson	Schafer	Thorson	Zaffke
Nelson, D.	Piepho	Scheid	Tjornhom	Spk. Jennings, D.
Nelson, K.	Piper	Seaberg	Tomlinson	
Neuenschwander	Price	Segal	Tompkins	
Norton	Quinn	Shaver	Tunheim	
Ogren	Quist	Sherman	Uphus	

Those who voted in the negative were:

Murphy

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

The Speaker called Halberg to the Chair.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 164, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time.

Valan moved that S. F. No. 164 and H. F. No. 1459, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2101, A bill for an act relating to state lands; authorizing an exchange of certain state lands with the city of Thomson in Carlton county and sale of certain state land in Lake of the Woods county.

The bill was read for the first time.

Murphy moved that S. F. No. 2101 and H. F. No. 2315, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1868, A bill for an act relating to human services; streamlining food and nutrition programs in the state; promotion of full participation in food assistance programs; establishing a coordinated nutrition data system; requiring the full expenditure of federal funds by agencies administering the special supplemental food program for women, infants, and children; requiring food stamps to be provided within 24 hours to persons eligible for expedited issuance; requiring the board on aging to pursue reimbursement of costs of home-delivered meals for the elderly; establishing a pilot school breakfast program; amending Minnesota Statutes 1984, sections 145.892, subdivision 2; 145.-

894; 256.975, by adding a subdivision; and 393.07, subdivision 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124; 144; and 245.

The bill was read for the first time.

Clausnitzer moved that S. F. No. 1868 and H. F. No. 2093, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2147, A bill for an act relating to health; requiring transportation services involving the use of a stretcher to meet life support transportation licensing standards; amending Minnesota Statutes 1984, sections 144.801, subdivision 4; and 174.29, subdivision 1.

The bill was read for the first time.

Frerichs moved that S. F. No. 2147 and H. F. No. 2297, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1814, A bill for an act relating to health and human services; establishing a task force on long-term care planning; requiring the commissioner of health to monitor transitional care; authorizing use of swing beds by patients transferred from hospitals located outside of the patient's community; modifying the preadmission screening program; changing financial statement certification requirements for nursing homes that are phasing out of the medical assistance program; establishing requirements for medical assistance rate appeals procedures for intermediate care facilities; requiring a study of geographic groupings of nursing homes; amending Minnesota Statutes 1984, section 251.011, subdivision 4; and Minnesota Statutes 1985 Supplement, sections 144.562, subdivision 3; 144.563; 256B.091, subdivisions 2, 4, 5, and 8; 256B.48, subdivision 1b; and 256B.501, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 144 and 144A.

The bill was read for the first time.

Onnen moved that S. F. No. 1814 and H. F. No. 1932, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2054, A bill for an act relating to taxation; sales; clarifying the application of the exemption for certain fundraising activities to certain school organizations; defining registered combined charitable organization; amending Minnesota Statutes 1985 Supplement, section 297A.256.

The bill was read for the first time.

Quinn moved that S. F. No. 2054 and H. F. No. 2206, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2102, A bill for an act relating to marriage dissolution and legal separation; requiring appointment of guardians ad litem in certain child custody proceedings; amending Minnesota Statutes 1984, section 518.165.

The bill was read for the first time.

Clausnitzer moved that S. F. No. 2102 and H. F. No. 2243, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1515, A bill for an act relating to Ramsey county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement; providing for an appointed county abstract clerk; proposing coding for new law in Minnesota Statutes, chapter 383A; repealing Minnesota Statutes 1984, section 383A.38.

The bill was read for the first time.

Knuth moved that S. F. No. 1515 and H. F. No. 1611, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1745, A bill for an act relating to state lands; authorizing sale of Pearl Lake lakeshore parcel in Stearns county.

The bill was read for the first time.

Brinkman moved that S. F. No. 1745 and H. F. No. 2200, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2014, A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1984, section 99.26, subdivision 5; and article 1, section 18, subdivision 2 of S. F. No. 1526, if enacted.

The bill was read for the first time.

Rose moved that S. F. No. 2014 and H. F. No. 2137, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2222, A bill for an act relating to education; vocational; specifying use of appropriation for firefighter training

programs in AVTI's; amending Laws 1985, First Special Session chapter 11, section 4, subdivision 3.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 1702, A bill for an act relating to local government; granting the city of Brainerd the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1966, A bill for an act relating to the city of St. Cloud; authorizing the city to impose certain taxes to construct, operate, and promote a convention center facility.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Gruenes moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1966 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Gruenes moved that the rules of the House be so far suspended that S. F. No. 1966 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1966 was read for the second time.

CALL OF THE HOUSE

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

Anderson, G.	Bennett	Carlson, D.	Elioff	Gutknecht
Anderson, R.	Bishop	Carlson, L.	Erickson	Halberg
Backlund	Blatz	Clark	Fjoslien	Hartinger
Battaglia	Boo	Clausnitzer	Frederick	Hartle
Beard	Brandl	Cohen	Frerichs	Haukoos
Becklin	Brinkman	Dimler	Greenfield	Heap
Begich	Burger	Dyke	Gruenes	Himle

Jacobs	McEachern	Otis	Rose	Thorson
Jaros	McKasy	Pappas	Sarna	Tjornhom
Jennings, L.	McLaughlin	Pauly	Schafer	Tomlinson
Johnson	McPherson	Peterson	Scheid	Tompkins
Kahn	Metzen	Piepho	Schoenfeld	Tunheim
Kalis	Miller	Piper	Seaberg	Uphus
Kelly	Minne	Poppenhagen	Segal	Valento
Kiffmeyer	Murphy	Price	Shaver	Vanasek
Knickerbocker	Nelson, D.	Quinn	Sherman	Voss
Knuth	Nelson, K.	Quist	Simoneau	Waltman
Kostohryz	Norton	Redalen	Skoglund	Welle
Krueger	Ogren	Rees	Solberg	Wenzel
Kvam	Olsen, S.	Rest	Sparby	Wynia
Levi	Olson, E.	Rice	Stanius	Zaffke
Lieder	Omann	Richter	Staten	
Long	Onnen	Riveness	Sviggum	
Marsh	Osthoff	Rodosovich	Thiede	

Levi 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.

S. F. No. 1966, A bill for an act relating to the city of St. Cloud; authorizing the city to impose certain taxes to construct, operate, and promote a convention center facility.

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.

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

There were 97 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Long	Ozment	Shaver
Backlund	Frerichs	Marsh	Pappas	Sherman
Battaglia	Greenfield	McDonald	Pauly	Simoneau
Beard	Gruenes	McEachern	Peterson	Solberg
Becklin	Gutknecht	McKasy	Piepho	Sparby
Begich	Hartinger	McLaughlin	Piper	Staten
Bennett	Hartle	McPherson	Poppenhagen	Thiede
Bishop	Haukoos	Metzen	Price	Thorson
Blatz	Himle	Miller	Quinn	Tomlinson
Boo	Jacobs	Minne	Redalen	Tompkins
Brinkman	Jaros	Murphy	Rees	Tunheim
Carlson, D.	Jennings, L.	Nelson, K.	Rest	Uphus
Carlson, J.	Kahn	Neuenschwander	Rice	Valento
Carlson, L.	Kelly	Ogren	Richter	Waltman
Clark	Kiffmeyer	Olsen, S.	Riveness	Welle
Clausnitzer	Knickerbocker	Olson, E.	Rodosovich	Wenzel
Dempsey	Knuth	Omann	Rose	Spk. Jennings, D.
Dyke	Krueger	Onnen	Schafer	
Elioff	Kvam	Osthoff	Seaberg	
Erickson	Lieder	Otis	Segal	

Those who voted in the negative were:

Anderson, G.	Dimler	Nelson, D.	Stanius	Voss
Brandl	Fjoslien	Norton	Sviggum	Wynia
Burger	Frederick	Quist	Tjornhom	Zaifke
Cohen	Kalis	Schoenfeld	Vanasek	
DenOuden	Kostohryz	Skoglund	Vellenga	

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

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

FIRST READING OF SENATE BILLS, Continued

S. F. No. 2262, A bill for an act relating to Winona county; permitting the county to convey certain real estate to a county agricultural society.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 707, A bill for an act relating to retirement; public plans generally; providing health insurance benefits for certain retired teachers; changing eligibility requirements for surviving spouse benefits; regulating coverage under the unclassified employees retirement program; amending Minnesota Statutes 1984, sections 62E.14, subdivision 1; 352.12, subdivision 2; 352D.01; 352D.015, subdivision 5; 352D.02, as amended; 352D.06, subdivision 1; 352D.065, subdivision 5; 352D.085, subdivision 1; 353.32, subdivision 1a; 354.05, subdivisions 2 and 26; 354.44, subdivision 4; 354.46, subdivision 2; and 354A.35, subdivision 2; Minnesota Statutes 1985 Supplement, sections 136C.50, subdivision 7; 353.657, subdivision 2a; 354.55, subdivision 11; and 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 62E.

The bill was read for the first time.

Knickerbocker moved that S. F. No. 707 and H. F. No. 1007, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1065, A bill for an act relating to transportation; regulating recreational vehicles; regulating all-terrain vehicles; regulating routes to the trunk highway system; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 84.92; 84.922, subdivisions 1, 3, 5, 6, 7, 8, and by adding subdivisions; 84.925; 84.927; 84.928; 85.018, subdivisions 1, 2, 3, 4, and 5; 100.273, subdivision 9; 161.117; 168.012, subdivision 3a; 169.045; and 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the first time.

Carlson, D., moved that S. F. No. 1065 and H. F. No. 1015, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1930, A bill for an act relating to real estate; providing for cancellation of real estate contract depending upon when contract was executed; providing for determination of purchase price; appropriating money; amending Minnesota Statutes 1984, section 559.21, by adding subdivisions; and Minnesota Statutes 1985 Supplement, section 559.21, subdivisions 2a, 3, 4, and 6.

The bill was read for the first time.

Bishop moved that S. F. No. 1930 and H. F. No. 2078, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2098, A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates on motor vehicles operated by repeat DWI offenders; clarifying the evidentiary use of partial alcohol concentration breath tests; imposing mandatory minimum penalties on habitual DWI offenders; providing for proof of increased insurance coverage before reinstatement of driver's license following its revocation due to DWI conviction; expanding the crime of driving a motor vehicle while under the influence of alcohol or certain substances; amending Minnesota Statutes 1984, sections 168.041; 169.121, subdivisions 2 and 6, and by adding subdivisions; 169.123, subdivisions 2a, 3, 4, and 6; and 361.12, subdivision 1; Minnesota Statutes 1985 Supplement, sections 169.121, subdivision 1; and 169.123, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time.

Rest moved that S. F. No. 2098 and H. F. No. 2339, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2135, A bill for an act relating to liability; limiting the civil liability of practitioners for the violent acts of patients; providing immunity from liability for disclosure; amending Minnesota Statutes 1985 Supplement, section 626.556, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the first time.

Stanius moved that S. F. No. 2135 and H. F. No. 2392, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTION FOR RECONSIDERATION

Greenfield moved that the vote whereby H. F. No. 2123 was not passed on Special Orders on Wednesday, March 12, 1986, be now reconsidered.

CALL OF THE HOUSE

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

Anderson, C.	Forsythe	Kvam	Pauly	Solberg
Backlund	Frederick	Levi	Peterson	Sparby
Battaglia	Frerichs	Lieder	Piepho	Stanius
Beard	Greenfield	Long	Piper	Staten
Becklin	Gruenes	Marsh	Poppenhagen	Svigum
Begich	Gutknecht	McEachern	Price	Thiede
Bennett	Halberg	McKasy	Quinn	Thorson
Bishop	Hartinger	McLaughlin	Quist	Tjornhom
Brandl	Hartle	McPherson	Redalen	Tomlinson
Brinkman	Haukoos	Miller	Rees	Tompkins
Brown	Heap	Minne	Rest	Tunheim
Carlson, D.	Himle	Murphy	Rice	Uphus
Carlson, L.	Jaros	Nelson, D.	Riveness	Valento
Clark	Jennings, L.	Neuenschwander	Rodosovich	Vanasek
Clausnitzer	Johnson	Norton	Rose	Vellenga
Cohen	Kahn	Ogren	Sarna	Voss
Dempsey	Kalis	Olsen, S.	Schafer	Waltman
DenOuden	Kelly	Olson, E.	Scheid	Welle
Dimler	Kiffmeyer	Omann	Schoenfeld	Wenzel
Dyke	Knickerbocker	Onnen	Seaberg	Wynia
Elioff	Knuth	Osthoff	Segal	
Erickson	Kostohryz	Otis	Shaver	
Fjoslien	Krueger	Pappas	Sherman	

Levi 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.

The Speaker resumed the Chair.

The question recurred on the Greenfield motion to reconsider the vote whereby H. F. No. 2123 was not passed on Special Orders on Wednesday, March 12, 1986. The motion prevailed.

H. F. No. 2123 was reported to the House.

H. F. No. 2123, A bill for an act relating to the city of Bloomington; authorizing the city to impose certain taxes; increasing the distribution levy from the metropolitan revenue distribution for the city for a specific time period; permitting the city to establish a special taxing district; authorizing the port authority of the city to pledge certain tax revenues to pay certain bonds and permitting it to develop leased land; authorizing development in accordance with the Generic EIS and Generic Indirect Source Permit; amending Minnesota Statutes 1984, section 473F.08, 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.

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

There were 69 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Battaglia	Frederick	Kahn	Neuenschwander	Schafer
Begich	Frederickson	Kelly	Ogren	Schreiber
Bishop	Frerichs	Kiffmeyer	Olsen, S.	Seaberg
Blatz	Greenfield	Knickerbocker	Omann	Shaver
Boerboom	Gruenes	Kvam	Onnen	Solberg
Boo	Gutknecht	Levi	Otis	Thorson
Burger	Halberg	Lieder	Ozment	Tompkins
Carlson, D.	Hartle	Marsh	Pauly	Tunheim
Carlson, J.	Haukoos	McDonald	Piepho	Uphus
Dempsey	Heap	McKasy	Poppenhagen	Valan
Dyke	Himle	Metzen	Redalen	Waltman
Elioff	Jaros	Minne	Rees	Zaffike
Erickson	Jennings, L.	Munger	Rice	Spk. Jennings, D.
Forsythe	Johnson	Murphy	Riveness	

Those who voted in the negative were:

Anderson, G.	DenOuden	Miller	Richter	Sviggum
Anderson, R.	Dimler	Nelson, D.	Rodosovich	Thiede
Backlund	Fjoslien	Nelson, K.	Rose	Tjornhom
Beard	Hartinger	Norton	Sarna	Tomlinson
Becklin	Jacobs	Olson, E.	Scheid	Valento
Bennett	Kalis	Osthoff	Schoenfeld	Vanasek
Brandl	Knuth	Pappas	Segal	Vellenga
Brinkman	Kostohryz	Peterson	Sherman	Voss
Brown	Krueger	Piper	Simoneau	Welle
Carlson, L.	Long	Price	Skoglund	Wenzel
Clark	McEachern	Quinn	Sparby	Wynia
Clausnitzer	McLaughlin	Quist	Stanius	
Cohen	McPherson	Rest	Staten	

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

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

SPECIAL ORDERS

S. F. No. 1619 was reported to the House.

McKasy moved to amend S. F. No. 1619, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [148A.01] [DEFINITIONS.]

Subdivision 1. [GENERAL.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [EMOTIONALLY DEPENDENT.] "Emotionally dependent" means that the nature of the patient's or former patient's emotional condition and the nature of the treatment provided by the psychotherapist are such that the psychotherapist knows or has reason to believe that the patient or former patient is unable to withhold consent to sexual contact by the psychotherapist.

Subd. 3. [FORMER PATIENT.] "Former patient" means a person who was given psychotherapy within two years prior to sexual contact with the psychotherapist.

Subd. 4. [PATIENT.] "Patient" means a person who seeks or obtains psychotherapy.

Subd. 5. [PSYCHOTHERAPIST.] "Psychotherapist" means a physician, psychologist, nurse, chemical dependency counselor, social worker, member of the clergy, or other person, whether or not licensed by the state, who performs or purports to perform psychotherapy.

Subd. 6. [PSYCHOTHERAPY.] "Psychotherapy" means the professional treatment, assessment, or counseling of a mental or emotional illness, symptom, or condition.

Subd. 7. [SEXUAL CONTACT.] "Sexual contact" means any of the following, whether or not occurring with the consent of a patient or former patient:

(1) sexual intercourse, cunnilingus, fellatio, anal intercourse or any intrusion, however slight, into the genital or anal openings of the patient's or former patient's body by any part of the psychotherapist's body or by any object used by the psychotherapist for this purpose, or any intrusion, however slight, into the genital or anal openings of the psychotherapist's body by any part of the patient's or former patient's body or by any object used by the patient or former patient for this purpose, if agreed to by the psychotherapist;

(2) kissing of, or the intentional touching by the psychotherapist of the patient's or former patient's genital area, groin, inner thigh, buttocks, or breast or of the clothing covering any of these body parts;

(3) kissing of, or the intentional touching by the patient or former patient of the psychotherapist's genital area, groin, inner

thigh, buttocks, or breast or of the clothing covering any of these body parts if the psychotherapist agrees to the kissing or intentional touching.

“Sexual contact” includes requests by the psychotherapist for conduct described in clauses (1) to (3).

“Sexual contact” does not include conduct described in clause (1) or (2) that is a part of standard medical treatment of a patient.

Subd. 9. [THERAPEUTIC DECEPTION.] “Therapeutic deception” means a representation by a psychotherapist that sexual contact with the psychotherapist is consistent with or part of the patient’s or former patient’s treatment.

Sec. 2. [148A.02] [CAUSE OF ACTION FOR SEXUAL EXPLOITATION.]

A cause of action against a psychotherapist for sexual exploitation exists for a patient or former patient for injury caused by sexual contact with the psychotherapist, if the sexual contact occurred:

(1) during the period the patient was receiving psychotherapy from the psychotherapist; or

(2) after the period the patient received psychotherapy from the psychotherapist if (a) the former patient was emotionally dependent on the psychotherapist; or (b) the sexual contact occurred by means of therapeutic deception.

The patient or former patient may recover damages from a psychotherapist who is found liable for sexual exploitation. It is not a defense to the action that sexual contact with a patient occurred outside a therapy or treatment session or that it occurred off the premises regularly used by the psychotherapist for therapy or treatment sessions.

Sec. 3. [148A.03] [LIABILITY OF EMPLOYER.]

(a) An employer of a psychotherapist may be liable under section 2 if:

(1) the employer fails or refuses to take reasonable action when the employer knows or has reason to know that the psychotherapist engaged in sexual contact with the plaintiff or any other patient or former patient of the psychotherapist; or

(2) the employer fails or refuses to make inquiries of an employer or former employer, whose name and address have been disclosed to the employer and who employed the psychotherapist

as a psychotherapist within the last five years, concerning the occurrence of sexual contacts by the psychotherapist with patients or former patients of the psychotherapist.

(b) An employer or former employer of a psychotherapist may be liable under section 2 if the employer or former employer:

(1) knows of the occurrence of sexual contact by the psychotherapist with patients or former patients of the psychotherapist;

(2) receives a specific written request by another employer or prospective employer of the psychotherapist, engaged in the business of psychotherapy, concerning the existence or nature of the sexual contact; and

(3) fails or refuses to disclose the occurrence of the sexual contacts.

(c) An employer or former employer may be liable under section 2 only to the extent that the failure or refusal to take any action required by paragraph (a) or (b) was a proximate and actual cause of any damages sustained.

(d) No cause of action arises, nor may a licensing board in this state take disciplinary action, against a psychotherapist's employer or former employer who in good faith complies with section 3.

Sec. 4. [148A.04] [SCOPE OF DISCOVERY.]

In an action for sexual exploitation, evidence of the plaintiff's sexual history is not subject to discovery except when the plaintiff claims damage to sexual functioning; or

(1) the defendant requests a hearing prior to conducting discovery and makes an offer of proof of the relevancy of the history; and

(2) the court finds that the history is relevant and that the probative value of the history outweighs its prejudicial effect.

The court shall allow the discovery only of specific information or examples of the plaintiff's conduct that are determined by the court to be relevant. The court's order shall detail the information or conduct that is subject to discovery.

Sec. 5. [148A.05] [ADMISSION OF EVIDENCE.]

In an action for sexual exploitation, evidence of the plaintiff's sexual history is not admissible except when:

(1) *the defendant requests a hearing prior to trial and makes an offer of proof of the relevancy of the history; and*

(2) *the court finds that the history is relevant and that the probative value of the history outweighs its prejudicial effect.*

The court shall allow the admission only of specific information or examples of the plaintiff's conduct that are determined by the court to be relevant. The court's order shall detail the information or conduct that is admissible and no other such evidence may be introduced.

Violation of the terms of the order may be grounds for a new trial.

Sec. 6. [148A.06] [LIMITATION PERIOD.]

An action for sexual exploitation shall be commenced within five years after the cause of action arises.

Sec. 7. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 6 are effective August 1, 1986, and apply to causes of action arising on or after that date."

A roll call was requested and properly seconded.

The question was taken on the McKasy amendment and the roll was called. There were 95 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Battaglia	Haukoos	McPherson	Poppenhagen	Solberg
Beard	Himle	Metzen	Price	Sparby
Begich	Jacobs	Minne	Quist	Stanius
Bennett	Jaros	Munger	Redalen	Staten
Blatz	Jennings, L.	Murphy	Rees	Sviggum
Boo	Johnson	Nelson, D.	Rest	Thiede
Brown	Kahn	Neuenschwander	Rice	Thorson
Carlson, L.	Kalis	Ogren	Richter	Tjornhom
Clark	Kelly	Olson, E.	Riveness	Tomlinson
Dempsey	Kiffmeyer	Omann	Rodosovich	Uphus
Dimler	Knickerbocker	Onnen	Rose	Valento
Dyke	Krueger	Osthoff	Sarna	Vanasek
Elioff	Levi	Otis	Schafer	Vellenga
Ellingson	Lieder	Ozment	Scheid	Waltman
Frederick	Long	Pappas	Schreiber	Welle
Frederickson	Marsh	Pauly	Segal	Wenzel
Greenfield	McEachern	Peterson	Shaver	Wynia
Gruenes	McKasy	Piepho	Sherman	Zaffke
Hartle	McLaughlin	Piper	Skoglund	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.	Becklin	Brandl	Burger	Fjoslien
Anderson, R.	Bishop	Brinkman	Clausnitzer	Frerichs

Kostohryz
KvamMiller
Norton

Quinn

Tunheim

Voss

The motion prevailed and the amendment was adopted.

Kelly moved to amend S. F. No. 1619, as amended, as follows:

Page 4, of the McKasy amendment, after line 24, insert:

"Sec. 5. Minnesota Statutes 1984, section 609.135, is amended by adding a subdivision to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION.] If the court orders payment of restitution as a condition of probation and if the defendant fails to pay the restitution ordered prior to 60 days before the term of probation expires, the defendant's probation officer shall ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The court shall schedule and hold this hearing and take appropriate action before the defendant's term of probation expires."

Renumber the remaining section

Page 4, line 30, delete "4" and insert "5" and before "apply" insert "sections 1 to 5"

Amend the title as follows:

Page 1, line 2, after "civil" insert "and criminal"

Page 1, line 3, after the semicolon, insert "providing new procedures for enforcing restitution orders; amending Minnesota Statutes 1984, section 609.135, by adding a subdivision;"

The motion prevailed and the amendment was adopted.

S. F. No. 1619, A bill for an act relating to civil actions; providing a cause of action for sexual exploitation; proposing coding for new law as Minnesota Statutes, chapter 148A.

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 99 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, R.
Battaglia
BeardBecklin
Begich
BennettBlatz
Boo
BrownBurger
Carlson, L.
ClarkClausnitzer
Dempsey
Dimler

Dyke	Johnson	Nelson, K.	Rest	Sviggum
Elioff	Kahn	Neuenschwander	Rice	Thiede
Ellingson	Kelly	Ogren	Richter	Thorson
Fjoslien	Kiffmeyer	Omann	Riveness	Tjornhom
Forsythe	Knickerbocker	Osthoff	Rodosovich	Tomlinson
Frederick	Krueger	Oris	Rose	Tunheim
Frederickson	Levi	Ozment	Sarna	Uphus
Greenfield	Lieder	Pappas	Schafer	Valan
Gruenes	Long	Pauly	Scheid	Valento
Gutknecht	Marsh	Peterson	Seaberg	Vanasek
Halberg	McEachern	Piepho	Segal	Vellenga
Hartle	McKasy	Piper	Shaver	Waltman
Haukoos	McLaughlin	Poppenhagen	Sherman	Wenzel
Himle	McPherson	Price	Skoglund	Wynia
Jacobs	Minne	Quist	Solberg	Zaffke
Jaros	Murphy	Redalen	Sparby	Spk. Jennings, D.
Jennings, L.	Nelson, D.	Rees	Stanis	

Those who voted in the negative were :

Anderson, G.	Brinkman	Kostohryz	Norton	Voss
Backlund	Frerichs	Miller	Quinn	Welle
Bishop	Kalis	Munger	Simoneau	

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

H. F. No. 2210 was reported to the House.

Kvam moved to amend H. F. No. 2210, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part-time employment shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer if the employer: (1) provided weekly base period part-time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part-time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

Benefits shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer for unemployment (1) that is directly caused by a major natural disaster declared by the president pursuant to section 102(2) of the Disaster Relief Act of 1974 (42 United States Code 5122(2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits, or (2) that is directly caused by a fire, flood, or act of God where 70 percent or more of the employees employed in the affected location become unemployed as a result and the employer substantially reopens its operations in that same area within 360 days of the fire, flood, or act of God. Benefits shall be charged to the employer's account where the unemployment is caused by the willful act of the employer or a person acting on behalf of the employer.

Sec. 2. [CITY OF LITCHFIELD; TAX INCREMENT FINANCING.]

Notwithstanding any other provision of law, the city council of the city of Litchfield may require the Meeker county auditor to reduce the original assessed value of a tax increment financing district in the city. The reduction shall be in an amount equal to the difference between the assessed value at the time of the certification of the district of a parcel, improvements to which were substantially destroyed by a fire occurring within 30 days after the January 2, 1986, assessment date, and the value of that parcel after the destruction of the improvements. In no case may the reduction result in an original assessed value for the district that is less than the assessed value of the district determined immediately after the date of the fire.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective retroactively to January 1, 1986.

Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public disasters; providing for certain unemployment compensation liability; providing for certain valuation in the city of Litchfield; amending Minnesota Statutes 1984, section 268.06, subdivision 5."

The motion prevailed and the amendment was adopted.

Vanasek and Schoenfeld offered an amendment to H. F. No. 2210, the first engrossment, as amended.

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 5.10 that the amendment was out of order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 2210, A bill for an act relating to public disasters; providing for certain unemployment compensation liability; providing for certain valuation in the city of Litchfield; amending Minnesota Statutes 1984, section 268.06, 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 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Levi	Pauly	Simoneau
Anderson, R.	Erickson	Lieder	Peterson	Skoglund
Backlund	Fjoslien	Long	Piepho	Solberg
Battaglia	Frederick	Marsh	Piper	Sparby
Beard	Frerichs	McDonald	Poppenhagen	Stanius
Becklin	Greenfield	McEachern	Price	Staten
Begich	Gruenes	McKasy	Quinn	Sviggum
Bennett	Gutknecht	McLaughlin	Quist	Thiede
Bishop	Halberg	McPherson	Redalen	Thorson
Blatz	Hartinger	Metzen	Rees	Tjornhom
Boo	Hartle	Miller	Rice	Tomlinson
Brandl	Haukoos	Minne	Richter	Tompkins
Brinkman	Jacobs	Munger	Riveness	Tunheim
Brown	Jennings, L.	Murphy	Rodosovich	Uphus
Burger	Johnson	Nelson, D.	Rose	Valento
Carlson, D.	Kahn	Nelson, K.	Sarna	Vanasek
Carlson, L.	Kalis	Neuenschwander	Schafer	Vellenga
Clark	Kelly	Norton	Scheid	Voss
Clausnitzer	Kiffmeyer	Ogren	Schoenfeld	Waltman
Cohen	Knickerbocker	Olson, E.	Schreiber	Weile
Dempsey	Knuth	Omann	Seaberg	Wenzel
Dimler	Kostohryz	Otis	Segal	Wynia
Dyke	Krueger	Ozment	Shaver	Zaffke
Elioff	Kvam	Pappas	Sherman	Spk. Jennings, D.

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

The Speaker called Kvam to the Chair.

S. F. No. 1823, A bill for an act relating to financial institutions; providing for open end loan account arrangements; modifying permissible finance charges and annual charges; eliminating alternative credit card plan requirements; amending Minnesota Statutes 1984, section 48.185, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1984, section 48.185, subdivision 4a.

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 13 nays as follows:

Those who voted in the affirmative were:

Backlund	Ellingson	Krueger	Ozment	Sherman
Battaglia	Erickson	Kvam	Pappas	Stanius
Beard	Forsythe	Levi	Pauly	Swiggum
Becklin	Frederick	Lieder	Piepho	Thiede
Begich	Frerichs	Long	Piper	Thorson
Bennett	Gruenes	Marsh	Poppenhagen	Tjornhom
Bishop	Gutknecht	McEachern	Price	Tomlinson
Blatz	Halberg	McKasy	Quinn	Tompkins
Boo	Hartinger	McPherson	Quist	Tunheim
Brandl	Hartle	Metzen	Redalen	Uphus
Brown	Haukoos	Miller	Rees	Valento
Burger	Heap	Minne	Rest	Vanasek
Carlson, D.	Jacobs	Murphy	Richter	Vellenga
Carlson, L.	Jaros	Nelson, D.	Riveness	Voss
Clausnitzer	Johnson	Nelson, K.	Rodosovich	Waltman
Cohen	Kelly	Neuenschwander	Rose	Welle
Dempsey	Kiffmeyer	Norton	Sarna	Wenzel
Dimler	Knickerbocker	Ogren	Schafer	Wynia
Dyke	Knuth	Omann	Scheid	Zaffke
Elioff	Kostohryz	Osthoff	Seaberg	

Those who voted in the negative were:

Anderson, G.	Kahn	Rice	Simoneau	Sparby
Fjoslien	McLaughlin	Schoenfeld	Skoglund	Staten
Greenfield	Peterson	Segal		

The bill was passed and its title agreed to.

S. F. No. 1914, A bill for an act relating to crimes; providing that violations involving theft of services may be aggregated for purposes of criminal prosecution; amending Minnesota Statutes 1984, section 609.52, subdivision 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. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Burger	Forsythe	Jacobs	Kvam
Backlund	Carlson, D.	Frederick	Jaros	Levi
Battaglia	Carlson, L.	Frerichs	Jennings, L.	Lieder
Beard	Cohen	Greenfield	Johnson	Long
Becklin	Dempsey	Gruenes	Kahn	Marsh
Begich	DenOuden	Gutknecht	Kalis	McDonald
Bennett	Dimler	Halberg	Kelly	McEachern
Bishop	Dyke	Hartinger	Kiffmeyer	McKasy
Blatz	Elioff	Hartle	Knickerbocker	McLaughlin
Boo	Ellingson	Haukoos	Knuth	McPherson
Brandl	Erickson	Heap	Kostohryz	Metzen
Brown	Fjoslien	Himle	Krueger	Miller

Minne	Osthoff	Rest	Sherman	Tompkins
Munger	Ozment	Rice	Simoneau	Tunheim
Murphy	Pappas	Richter	Skoglund	Uphus
Nelson, D.	Pauly	Riveness	Solberg	Valento
Nelson, K.	Piepho	Rodosovich	Sparby	Vanasek
Neuenschwander	Piper	Rose	Stanius	Vallenga
Norton	Poppenhagen	Sarna	Staten	Voss
Ogren	Price	Schafer	Sviggum	Waltman
Olsen, S.	Quinn	Scheid	Thiede	Welle
Olson, E.	Quist	Schoenfeld	Thorson	Wenzel
Omann	Redalen	Seaberg	Tjornhom	Wynia
Onnen	Rees	Segal	Tomlinson	Zafike

The bill was passed and its title agreed to.

H. F. No. 1873 was reported to the House.

Sviggum moved to amend H. F. No. 1873, the first engrossment, as follows:

Page 10, line 12, after "*liability*" insert "*in bad faith*"

Page 10, line 27, strike "or the injured employee's"

Page 10, line 28, delete all new language and strike "weekly" and "whichever is"

Page 24, after line 4, insert "*An impairment to a member is automatically registered where it results in a disability rating of at least ten percent of the whole body and workers' compensation payments for that disability were or are being paid for that rating.*"

Page 24, line 28, after "employee" insert "*, whose injury occurred after October 1, 1975,*"

Page 27, delete line 26

Page 27, line 27, delete "*176.271, subdivision 2, or*"

Page 27, line 32, delete "*, prepared*"

Page 27, delete line 33

Page 27, line 34, delete "*item D,*"

Page 27, line 35, delete everything after "*the*" and insert "*claim petition.*"

Page 28, line 16, delete "*In cases involving occupational disease,*"

Page 28, line 18, after "*insurer*" insert "*, on motion,*"

Page 28, line 23, after "*particular*" insert "*injury or*"

Page 28, line 23, after "disease" insert "*, or that the extension is necessary due to the complexity of the medical issues, or other good cause directly related to the issues in the case.*"

Absent an extension by the commissioner, where the adverse examination is not completed and the report is not served and filed within 90 days following the filing of the claim petition through no fault of the employee, the commissioner shall order the employer, when self-insured, or the insurer to immediately pay a penalty of \$500 to the employee. No attorney's fees shall be paid from this penalty"

Page 28, delete lines 24 to 29

Page 29, line 29, delete "All reports shall substantially"

Page 29, delete lines 30 and 31

Page 35, line 4, after "1" insert "*, except in cases where an employer or insurer has filed a denial of primary liability,*"

Page 35, line 8, after the period insert "*No notice is required when the employer or insurer has filed a denial of primary liability.*"

Page 35, line 8, before "shall" insert "*, when necessary,*"

Page 35, after line 26, insert:

"Sec. 49. Minnesota Statutes 1984, section 176.275, is amended to read:

176.275 [FILING OF PAPERS.]

The workers' compensation division, *the office of administrative hearings*, and the workers' compensation court of appeals shall file any paper which has been delivered to it for filing immediately upon its receipt (IN THE OFFICE OF THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY. THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY SHALL FILE ANY PAPER WHICH HAS BEEN DELIVERED TO HIM FOR FILING IMMEDIATELY UPON ITS RECEIPT) *if the paper to be filed complies with all requirements of law and rule.*"

Page 35, line 33, strike "present" and insert "*serve on all other parties and file*"

Page 35, line 33, strike "to" and insert "*with*"

Page 35, line 36, after "state" insert "*and include, where applicable*"

Page 36, line 1, after "residence" insert "*or business address*"

Page 36, line 8, after "all" insert "*known*"

Page 36, after line 12, insert:

"(9) a list of all health care providers who have treated or examined the employee for the injuries or disease alleged in the petition or who have treated or examined the employee in the past for similar conditions, together with authorizations for the release of medical information from all of the health care providers listed;

(10) a list of all known third parties, including the departments of human services and jobs and training, who may have paid any medical bills or other benefits to the employee for the injuries or disease alleged in the petition or for the time the employee was unable to work due to the injuries or disease, together with a listing of the amounts paid by each;"

Page 36, line 13, delete "(9)" and insert "(11)"

Page 36, line 14, delete "(10)" and insert "(12)"

Page 36, line 21, after "judge" insert "*, provided that no order shall be required to add the name and address of any witness, up to the date of the settlement conference, if the claimant was not previously aware of the witness*"

Page 36, line 27, before "notice" delete "the" and insert "any"

Page 36, line 34, strike "60" and insert "100"

Page 37, line 4, after "days." insert "*The time limits imposed by this subdivision may be extended only where the claim petition has been stricken pursuant to section 176.155, subdivision 1.*"

Page 37, after line 11, insert:

"Where a settlement conference resolves some, but not all, of the issues, the settlement judge, prior to referring the matter to the chief administrative law judge, shall issue an order specifying the issues settled and those remaining to be resolved by hearing. The order shall also state the length of time that the parties agree is necessary for a hearing to resolve all remaining issues."

Page 37, after line 23, insert:

"Sec. 53. Minnesota Statutes 1984, section 176.306, subdivision 1, is amended to read:

Subdivision 1. [CHIEF ADMINISTRATIVE LAW JUDGE.] The chief administrative law judge shall schedule workers' compensation hearings on as regular a schedule as may be practicable in no fewer than six widely separated locations throughout the state, including at least four locations outside of the seven county metropolitan area and Duluth, for the purpose of providing a convenient forum for parties to a compensation hearing and shall maintain a permanent office in Duluth staffed by at least one compensation judge. *Continuances of the scheduled hearing date may be granted only pursuant to section 176.341, subdivision 4.*"

Page 37, after line 29, insert:

"Sec. 55. Minnesota Statutes 1984, section 176.312, is amended to read:

176.312 [(AFFIDAVIT) AFFIDAVITS OF PREJUDICE AND PETITIONS FOR REASSIGNMENT.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge (**IN THE SAME MANNER AS AN AFFIDAVIT OF PREJUDICE IS FILED PURSUANT TO LAW OR RULE OF DISTRICT COURT**) *pursuant to rules adopted by the chief administrative law judge.* The filing of an affidavit of prejudice for cause against a compensation judge has the same effect and shall be treated in the same manner as in district court.

A petition for reassignment of a case to a different compensation judge may be filed once, in any case, by a party to the claim within ten days after the filing party has received notice of the assigned judge. Upon receipt of a timely petition for reassignment, the chief administrative law judge shall assign the case to another judge.

An affidavit of prejudice or a petition for reassignment shall be filed with the chief administrative law judge and shall not result in the continuance or delay of hearings scheduled pursuant to section 176.341.

For the purpose of this section, in cases involving multiple employers or insurers, all shall be considered as one party."

Page 38, line 5, after "all" insert "known"

Page 38, line 12, after "judge" insert "*, provided that no order shall be required to add the name and address of any witness, up to the date of the settlement conference, if the party was not previously aware of the witness*"

Page 38, line 23, delete "*certified by the commissioner, which*" and insert "*that*"

Page 38, line 24, after "be" insert "*immediately certified to the chief administrative law judge and the case shall be*"

Page 38, after line 25, insert:

"Sec. 58. Minnesota Statutes 1984, section 176.331, is amended to read:

176.331 [(AWARD BY DEFAULT) HEARINGS.]

If an adverse party fails to file and serve an answer (AND THE PETITIONER PRESENTS PROOF OF THIS FACT, THE COMMISSIONER OR COMPENSATION JUDGE MAY ENTER WHATEVER AWARD OR ORDER TO WHICH THE PETITIONER IS ENTITLED ON THE BASIS OF THE FACTS ALLEGED IN THE PETITION, BUT THE COMPENSATION JUDGE MAY REQUIRE PROOF OF AN ALLEGED FACT. IF THE COMMISSIONER REQUIRES PROOF), the commissioner shall (REQUEST) *immediately certify the case to the chief administrative law judge (TO) who shall assign the matter to a compensation judge for (AN IMMEDIATE) a hearing (AND PROMPT AWARD OR OTHER ORDER) at the first available date which is agreeable to the petitioner. The adverse party that failed to file an answer may appear at the hearing, present evidence and question witnesses, but shall not be granted a continuance for any reason.*

(WHERE IN A DEFAULT CASE THE PETITION DOES NOT STATE FACTS SUFFICIENT TO SUPPORT AN AWARD, THE COMPENSATION JUDGE SHALL GIVE THE PETITIONER OR THE PETITIONER'S ATTORNEY WRITTEN NOTICE OF THIS DEFICIENCY. THE PETITIONER MAY THEREUPON SERVE AND FILE ANOTHER PETITION AS IN THE CASE OF AN ORIGINAL PETITION.)"

Page 38, line 30, delete "*provided that no continuance may be granted for*"

Page 38, line 31, delete "*longer than 120 days*"

Page 39, line 1, delete "*surprise*" and insert "*good cause*"

Page 39, line 6, after "*fees*" insert "*, but not including information or evidence relating to taxation of costs*"

Page 43, line 19, delete "*60*" and insert "*90*"

Page 43, line 22, after the period insert "*Discovery after the 90-day limit imposed by this subdivision may be allowed only upon order of a settlement judge or a compensation judge and only upon a showing of good cause.*"

Page 44, delete section 63

Page 169, line 14, delete "*Section*" and insert "*Sections 23, 35 and*"

Page 169, line 14, delete "*is*" and insert "*are*"

Renumber sections accordingly

Further, amend the title as follows:

Page 1, line 33, after "176.271;" insert "176.275;"

Page 1, line 35, after "176.306," insert "subdivision 1, and"

Page 1, line 36, before "176.321" insert "176.312;"

Page 1, line 36, after "3;" insert "176.331;"

Page 1, line 39, delete "176.461;"

The motion prevailed and the amendment was adopted.

Bishop, Piper, and Schoenfeld were excused while in conference.

Krueger moved to amend H. F. No. 1873, the first engrossment, as amended, as follows:

Page 22, delete section 30

Page 33, delete section 45

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 28, delete ", and by adding a subdivision"

Page 1, line 32, delete ", and by"

Page 1, line 33, delete "adding a subdivision"

A roll call was requested and properly seconded.

The question was taken on the Krueger amendment and the roll was called. There were 76 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Halberg	Metzen	Piper	Solberg
Anderson, R.	Hartinger	Minne	Price	Sparby
Backlund	Jacobs	Munger	Quinn	Stanius
Battaglia	Jaros	Murphy	Rest	Staten
Beard	Jennings, L.	Nelson, D.	Rice	Tomlinson
Becklin	Kahn	Nelson, K.	Riveness	Tunheim
Begich	Kalis	Neuenschwander	Rodosovich	Vanasek
Brandl	Kelly	Norton	Sarna	Vellenga
Brinkman	Knuth	Ogren	Schafer	Voss
Brown	Kostohryz	Olson, E.	Scheid	Welle
Carlson, L.	Krueger	Onnen	Schoenfeld	Wenzel
Clark	Levi	Osthoff	Segal	Wynia
Cohen	Lieder	Otis	Shaver	
Elioff	Long	Ozment	Sherman	
Ellingson	McEachern	Pappas	Simoneau	
Greenfield	McLaughlin	Peterson	Skoglund	

Those who voted in the negative were:

Bishop	Frerichs	Knickerbocker	Quist	Thorson
Blatz	Gruenes	Marsh	Redalen	Tjornhom
Burger	Gutknecht	McKasy	Rees	Tompkins
Clausnitzer	Hartle	McPherson	Richter	Uphus
Dyke	Haukoos	Miller	Rose	Valento
Erickson	Heap	Omann	Seaberg	Waltman
Fjoslien	Himle	Pauly	Sviggum	Zaffke
Frederick	Kiffmeyer	Poppenhagen	Thiede	

The motion prevailed and the amendment was adopted.

Begich and Rice moved to amend H. F. No. 1873, the first engrossment, as amended, as follows:

Pages 2 and 3, delete sections 2 and 3

Page 10, delete section 14

Page 11, lines 1 to 4, reinstate the stricken language and delete the new language

Page 12, lines 4 and 5, reinstate the stricken language and delete the new language

Pages 16 and 17, delete section 22

Page 24, delete section 34

Pages 45 and 46, delete section 67

Page 169, line 14, delete "70" and insert "64"

Re-number the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "defining spendable weekly earnings;"

Page 1, lines 10 and 11, delete "postponing initial adjustment of certain benefits;"

Page 1, line 20, delete "subdivision"

Page 1, line 21, delete "18, and by adding subdivisions" and insert "by adding a subdivision"

Page 1, line 24, delete "1" and "and 4,"

Page 1, line 29, delete "176.132, subdivision 1;"

Page 1, line 40, delete "176.645,"

Page 1, line 41, delete "subdivision 2;"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Anderson, G.	Erickson	Lieder	Pappas	Sparby
Anderson, R.	Fjoslien	Long	Pauly	Stanius
Backlund	Frerichs	Marsh	Peterson	Staten
Battaglia	Greenfield	McEachern	Piper	Sviggum
Beard	Gutknecht	McLaughlin	Poppenhagen	Thiede
Becklin	Hartinger	McPherson	Price	Thorson
Begich	Hartle	Metzen	Quinn	Tjornhom
Bennett	Haukoos	Miller	Quist	Tomlinson
Bishop	Heap	Minne	Redalen	Tompkins
Blatz	Jacoba	Munger	Rees	Tunheim
Brandl	Jaros	Murphy	Rest	Uphus
Brinkman	Jennings, L.	Nelson, D.	Rice	Valento
Brown	Johnson	Nelson, K.	Richter	Vanasek
Burger	Kalis	Neuenschwander	Rodosovich	Vellenga
Carlson, L.	Kelly	Norton	Rose	Voss
Clark	Kiffmeyer	Ogren	Seaberg	Waltman
Clausnitzer	Knickerbocker	Olsen, S.	Segal	Welle
Cohen	Knuth	Olson, E.	Shaver	Wenzel
Dimler	Kostohryz	Omann	Sherman	Wynia
Dyke	Krueger	Onnen	Simoneau	Zaffke
Elioff	Kvam	Osthoff	Skoglund	
Ellingson	Levi	Ozment	Solberg	

Levi 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.

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

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

There were 49 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Battaglia	Harterger	Minne	Pappas	Simoneau
Beard	Jacobs	Munger	Peterson	Skoglund
Begich	Jaros	Murphy	Piper	Solberg
Brandl	Kahn	Nelson, D.	Price	Staten
Carlson, L.	Kelly	Nelson, K.	Quinn	Tomlinson
Clark	Knuth	Neuenschwander	Rest	Vellenga
Cohen	Kostohryz	Norton	Rice	Voss
Elioff	McEachern	Ogren	Sarna	Wenzel
Ellingson	McLaughlin	Osthoff	Scheid	Wynia
Greenfield	Metzen	Otis	Segal	

Those who voted in the negative were:

Anderson, G.	Dyke	Knickerbocker	Piepho	Stanius
Anderson, R.	Erickson	Krueger	Poppenhagen	Sviggum
Backlund	Fjoslien	Kvam	Quist	Thiede
Becklin	Frederick	Levi	Redalen	Thorson
Bennett	Gruenes	Lieder	Rees	Tjornhom
Bishop	Gutknecht	Marsh	Richter	Tompkins
Blatz	Halberg	McDonald	Rodosovich	Tunheim
Boerboom	Hartle	McPherson	Rose	Uphus
Brinkman	Haukoos	Miller	Schafer	Valento
Brown	Heap	Olsen, S.	Schoenfeld	Waltman
Burger	Himle	Olsen, E.	Schreiber	Welle
Clausnitzer	Jennings, L.	Omann	Seaberg	Zaffke
Dempsey	Johnson	Onnen	Shaver	
DenOuden	Kalis	Ozment	Sherman	
Dimler	Kiffmeyer	Pauly	Sparby	

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

Rice moved to amend H. F. No. 1873, the first engrossment, as amended, as follows:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1984, section 79.60, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Each insurer shall perform the following activities:

(a) Maintain membership in and report loss experience data to a licensed data service organization in accordance with the statistical plan and rules of the organization as approved by the commissioner;

(b) Establish a plan for merit rating which shall be consistently applied to all insureds, provided that members of a data service organization may use merit rating plans developed by that data service organization;

(c) Provide an annual report to the commissioner containing the information and prepared in the form required by the commissioner; and

(d) Keep a record of the premiums and losses paid under each workers' compensation policy written in Minnesota in the form required by the commissioner;

(e) *Keep a record and report losses incurred as the result of claims of injured workers claiming benefits under Minnesota law for which a policy was issued and premiums paid in another state; and*

(f) *Keep a record and report investment income earned on premiums and reserves attributable to Minnesota business.*

"Loss experience data" for the purpose of clause (a) are incurred losses less an insurer's claims for reimbursement from the reinsurance association, second injury fund, and subrogation.

Sec. 3. Minnesota Statutes 1984, section 79.61, subdivision 1, is amended to read:

79.61 [DATA SERVICE ORGANIZATIONS; REQUIRED AND PERMITTED ACTIVITY.]

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported *shall be reported accurately on the basis of actual classes written*, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities *shall be based on verified reports of insurer's payrolls and losses*, and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization. *Losses are net losses after deductions for reimbursable losses from reinsurance, second injury fund, and subrogation;*

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner. *All data collected from members shall be subject to regular and routine audit for accuracy and completeness. All compilations, summaries, or reports shall be issued only when the accuracy has been confirmed and sworn to under oath by the issuing data service organization as accurate and complete;*

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(h) Assess its members for operating expenses on a fair and equitable basis."

Page 169, line 14, delete "70" and insert "72"

Renumber the sections in order

Amend the title as follows:

Page 1, line 20, after "sections" insert "79.60, subdivision 1; 79.61, subdivision 1;"

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Rice amendment and the roll was called. There were 63 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Minne	Piper	Solberg
Battaglia	Jaros	Munger	Price	Sparby
Beard	Jennings, L.	Murphy	Quinn	Staten
Begich	Kahn	Nelson, D.	Rest	Tomlinson
Brandl	Kelly	Nelson, K.	Rice	Tunheim
Brown	Knuth	Neuenschwander	Rivness	Vanasek
Carlson, D.	Kostohryz	Norton	Rodosovich	Vellenga
Carlson, L.	Krueger	Ogren	Sarna	Voss
Clark	Lieder	Olson, E.	Scheid	Welle
Elioff	Long	Osthoff	Schoenfeld	Wenzel
Ellingson	McEachern	Otis	Segal	Wynia
Greenfield	McLaughlin	Pappas	Simoneau	
Hartinger	Metzen	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dimler	Himle	Onnen	Shaver
Backlund	Dyke	Johnson	Ozment	Sherman
Becklin	Erickson	Kalis	Pauly	Stanius
Bennett	Fjoslien	Kiffmeyer	Piepho	Sviggum
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thiede
Blatz	Frederick	Kvam	Quist	Thorson
Boo	Frederickson	Levi	Redalen	Tjornhom
Brinkman	Frerichs	Marsh	Rees	Tompkins
Burger	Gruenes	McDonald	Richter	Uphus
Carlson, J.	Gutknecht	McPherson	Rose	Valento
Clausnitzer	Hartle	Miller	Schafer	Waltman
Dempsey	Haukoos	Olsen, S.	Schreiber	Zaffke
DenOuden	Heap	Omann	Seaberg	Spk. Jennings, D.

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

Rice moved to amend H. F. No. 1873, the first engrossment, as amended, as follows:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1984, section 79.58, is amended by adding a subdivision to read:

Subd. 3. [EXPERIENCE RATING PLANS.] The commissioner shall disapprove any experience rating plan of a data ser-

vice organization or insurer that establishes an annual premium requirement in excess of \$1,000."

Page 169, line 14, delete "70" and insert "71"

Renumber the sections in order

Amend the title as follows:

Page 1, line 20, after "sections" insert "79.58, by adding a subdivision;"

A roll call was requested and properly seconded.

The question was taken on the Rice amendment and the roll was called. There were 55 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Munger	Piper	Skoglund
Beard	Hartinger	Nelson, D.	Price	Solberg
Begich	Jaros	Nelson, K.	Quinn	Sparby
Bennett	Kahn	Neuenschwander	Rest	Stanias
Blatz	Kelly	Norton	Rice	Staten
Brandl	Knuth	Ogren	Riveness	Tomlinson
Brown	Kostohryz	Olson, E.	Rodosovich	Vanasek
Carlson, L.	Krueger	Osthoff	Sarna	Vellenga
Clark	Lieder	Otis	Scheid	Voss
Elioff	McLaughlin	Pappas	Segal	Welle
Ellingson	Metzen	Peterson	Simoneau	Wynia

Those who voted in the negative were:

Anderson, R.	Forsythe	Knickerbocker	Poppenhagen	Tunheim
Backlund	Frederick	Kvam	Quist	Uphus
Becklin	Frederickson	Marsh	Rees	Valan
Bishop	Gruenes	McDonald	Richter	Valento
Brinkman	Gutknecht	McPherson	Rose	Waltman
Burger	Hartle	Miller	Schafer	Wenzel
Carlson, J.	Haukoos	Olsen, S.	Shaver	Zaffke
Clausnitzer	Heap	Omann	Sherman	Spk. Jennings, D.
Dempsey	Jennings, L.	Onnen	Sviggum	
Dyke	Johnson	Ozment	Thiede	
Erickson	Kalis	Pauly	Thorson	
Fjoslien	Kiffmeyer	Piepho	Tompkins	

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

Rice moved to amend H. F. No. 1873, the first engrossment, as amended, as follows:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1984, section 79.251, subdivision 3, is amended to read:

Subd. 3. [RATES.] (INSURED SERVED BY THE ASSIGNED RISK PLAN SHALL BE CHARGED PREMIUMS BASED UPON A RATING PLAN, INCLUDING A MERIT RATING PLAN ADOPTED BY THE COMMISSIONER BY RULE. THE COMMISSIONER SHALL ANNUALLY, NOT LATER THAN JANUARY 1 OF EACH YEAR, ESTABLISH THE SCHEDULE OF RATES APPLICABLE TO ASSIGNED RISK PLAN BUSINESS. ASSIGNED RISK PREMIUMS SHALL NOT BE LOWER THAN RATES GENERALLY CHARGED BY INSURERS FOR THE BUSINESS. THE COMMISSIONER SHALL FIX THE COMPENSATION RECEIVED BY THE AGENT OF RECORD. THE ESTABLISHMENT OF THE ASSIGNED RISK PLAN RATES AND AGENT FEES ARE NOT SUBJECT TO CHAPTER 14.) *The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which assigned risk plan insurance is written. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of any insurer writing contracts of insurance under the assigned risk plan, or an insured subject to the assigned risk plan, or other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record.*

Upon receipt of a petition for an increase in the existing schedule of rates, the commissioner shall determine whether the petition sets forth facts that show the existing schedule of rates is inadequate and in need of modification so as to indicate a need to hold a hearing. The commissioner may decline to grant a hearing if the insurer petitioner has failed to provide adequate information, as required by the commissioner or as requested upon receipt of a petition. The commissioner rejecting a petition for a hearing shall give notice of that determination to the petitioning party within 30 days of receipt of the petition and state the reasons for the rejection.

If the commissioner accepts the petition, the commissioner shall order a hearing on matters set forth in the petition requesting a modification of the schedule of rates. The hearing shall be held pursuant to the contested case procedures in chapter 14. The burden of proof shall be on the petitioning party."

Page 169, line 14, delete "70" and insert "71"

Renumber the sections in order

Amend the title as follows:

Page 1, line 20, after "sections" insert "79.251, subdivision 3;"

A roll call was requested and properly seconded.

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

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

There were 49 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Metzen	Otis	Schoenfeld
Battaglia	Hartinger	Minne	Peterson	Skoglund
Beard	Jacobs	Munger	Piper	Solberg
Begich	Jaros	Murphy	Price	Staten
Brown	Kahn	Nelson, D.	Quinn	Tomlinson
Carlson, L.	Kelly	Nelson, K.	Rest	Vanasek
Clark	Kostohryz	Neuenschwander	Rice	Voss
Cohen	Krueger	Norton	Rodosovich	Wenzel
Elioff	McEachern	Ogren	Sarna	Wynia
Ellingson	McLaughlin	Osthoff	Scheid	

Those who voted in the negative were:

Anderson, R.	Frederick	Knuth	Poppenhagen	Thorson
Backlund	Frederickson	Kvam	Quist	Tjornhom
Becklin	Frerichs	Levi	Rees	Tompkins
Bennett	Gruenes	Lieder	Richter	Tunheim
Brandl	Gutknecht	McDonald	Rose	Uphus
Brinkman	Halberg	McPherson	Schafer	Valan
Burger	Hartle	Miller	Seaberg	Valento
Carlson, J.	Haukoos	Olsen, S.	Shaver	Vellenga
Clausnitzer	Heap	Olson, E.	Sherman	Waltman
Dempsey	Himle	Onnen	Simoneau	Welle
Dimler	Johnson	Ozment	Sparby	Zaffke
Dyke	Kalis	Pappas	Stanisus	Spk. Jennings, D.
Erickson	Kiffmeyer	Pauly	Sviggum	
Fjoslien	Knickerbocker	Piepho	Thiede	

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

Rice moved to amend H. F. No. 1873, the first engrossment, as amended, as follows:

Page 30, after line 22, insert:

"Sec. 41. Minnesota Statutes 1984, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms,

conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2) (c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations as a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of commerce, showing his financial ability to pay the compensation, whereupon by written order the commissioner of commerce may make an exemption as he deems proper. The commissioner of commerce may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of commerce may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2) (a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services

in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

(d) *To provide small businesses with the opportunity to self-insure on a group basis, the commissioner of commerce shall promulgate group self-insurance plan rules, under chapter 14, for*

groups of employers whose total earned premium prior to entering into a group self-insurance plan is not less than \$100,000. The rules shall provide:

(i) a waiver of joint and several liability requirements of the employers in the group of self-insurance plan where adequate alternative insurance or security is provided to insure payment of all claims;

(ii) a method to assist small business group self-insurance plans to obtain alternative insurance or security;

(iii) procedures by which the workers' compensation reinsurance association shall provide alternative insurance or security and the rates and charges for the insurance or security. No application for alternative insurance or security coverage shall be accepted for coverage unless the group self-insurance plan has been refused by at least two reinsurance or excess insurance insurers; and

(iv) for midterm termination of existing workers compensation insurance contracts without penalty in order to expedite creation of a group self-insurance plan."

Page 169, line 14, delete "70" and insert "71"

Renumber the sections in order

Amend the title as follows:

Page 1, line 31, after "176.179;" insert "176.181, subdivision 2;"

A roll call was requested and properly seconded.

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

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

There were 66 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Jennings, L.	Long	Nelson, K.
Anderson, R.	Clark	Kahn	McEachern	Ncuenschwander
Battaglia	Elioff	Kalis	McLaughlin	Norton
Beard	Ellingson	Kelly	Metzen	Ogren
Begich	Greenfield	Knuth	Minne	Olson, E.
Brandl	Hartinger	Kostohryz	Munger	Osthoff
Brinkman	Jacobs	Krueger	Murphy	Otis
Brown	Jaros	Lieder	Nelson, D.	Ozment

Pappas	Rice	Schoenfeld	Stanius	Vellenga
Peterson	Riveness	Segal	Staten	Voss
Piper	Rodosovich	Skoglund	Tomlinson	Welle
Price	Sarna	Solberg	Tunheim	Wenzel
Quinn	Scheid	Sparby	Vanasek	Wynia
Rest				

Those who voted in the negative were :

Backlund	Dyke	Johnson	Piepho	Thiede
Becklin	Erickson	Kiffmeyer	Poppenhagen	Thorson
Bennett	Fjoslien	Knickerbocker	Quist	Tjornhom
Bishop	Forsythe	Kvam	Redalen	Tompkins
Blatz	Frederick	Levi	Rees	Uphus
Boerboom	Frederickson	Marsh	Richter	Valan
Boo	Frerichs	McDonald	Rose	Valento
Burger	Gruenes	McKasy	Schafer	Waltman
Carlson, J.	Gutknecht	McPherson	Schreiber	Zaffke
Clausnitzer	Halberg	Miller	Seaberg	Spk. Jennings, D.
Cohen	Hartle	Olsen, S.	Shaver	
Dempsey	Haukoos	Omann	Sherman	
DenOuden	Heap	Onnen	Simoneau	
Dimler	Himle	Pauly	Sviggum	

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

Ellingson was excused between the hours of 6:00 p.m. and 9:00 p.m.

Begich and Rice moved to amend H. F. No. 1873, the first engrossment, as amended, as follows :

Page 10, line 18, delete "80" and insert "85"

Page 11, line 1, delete "80" and insert "85"

Page 12, line 4, delete "80" and insert "85"

Page 16, line 27, delete "80" and insert "85"

A roll call was requested and properly seconded.

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

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

There were 60 yeas and 62 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Begich	Brown	Cohen	Jaros
Battaglia	Boo	Carlson, L.	Elioff	Jennings, L.
Beard	Brandl	Clark	Greenfield	Kahn

Kelly	Minne	Otis	Rodosovich	Staten
Knuth	Munger	Pappas	Sarna	Tomlinson
Kostohryz	Murphy	Peterson	Scheid	Tunheim
Krueger	Nelson, D.	Piper	Schoenfeld	Vanasek
Lieder	Nelson, K.	Price	Segal	Vellenga
Long	Neuenschwander	Quinn	Simoneau	Voss
McEachern	Norton	Rest	Skoglund	Welle
McLaughlin	Olson, E.	Rice	Solberg	Wenzel
Metzen	Osthoff	Riveness	Starby	Wynia

Those who voted in the negative were:

Anderson, R.	Erickson	Kiffmeyer	Poppenhagen	Thiede
Backlund	Fjoslien	Knickerbocker	Quist	Thorson
Becklin	Forsythe	Kvam	Redalen	Tjornhom
Bennett	Frederick	Levi	Rees	Tompkins
Bishop	Frederickson	Marsh	Richter	Uphus
Blatz	Frerichs	McDonald	Rose	Valan
Burger	Gruenes	McPherson	Schafer	Valento
Carlson, J.	Hartle	Miller	Schreiber	Waltman
Clausnitzer	Haukoos	Olsen, S.	Seaberg	Zaffke
Dempsey	Heap	Omann	Shaver	Spk. Jennings, D.
DenOuden	Jacobs	Onnen	Sherman	
Dimler	Johnson	Pauly	Stanius	
Dyke	Kalis	Piepho	Sviggm	

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

H. F. No. 1873, A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; restricting liability for out-of-state injuries; defining spendable weekly earnings; changing basis for calculating certain benefits; providing disability rating for certain losses; regulating the payment and right to benefits; eliminating minimum compensation in certain cases; compensation court of appeals; postponing initial adjustment of certain benefits; regulating attorneys' fees; relating to jurisdiction of issues of medical causation; providing for the administration of claims; providing for fees from state insurance fund; authorizing use of fees for administrative conferences; providing penalties; codifying regulations relating to permanent partial disability schedules and to independent contractors; eliminating supplementary benefits for new claims; amending Minnesota Statutes 1984, sections 176.011, subdivision 18, and by adding subdivisions; 176.012; 176.021, subdivision 1; 176.041, subdivisions 1, 2, 3, 4, and by adding a subdivision; 176.081, subdivisions 1 and 7; 176.101, subdivisions 1, 2, 3a, 3b, 3f, and 4, and by adding a subdivision; 176.103, subdivision 2; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8; 176.131, subdivisions 1a and 3; 176.132, subdivision 1; 176.135, subdivisions 1 and 1a; 176.155, subdivisions 1 and 5; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2; 176.243, subdivision 3; 176.271; 176.275; 176.291; 176.305, subdivision 1, and by adding a subdivision; 176.306, subdivision 1,

and by adding a subdivision; 176.312; 176.321, subdivisions 2 and 3; 176.331; 176.341, by adding subdivisions; 176.351, subdivision 2; 176.361, subdivisions 1 and 2; 176.371; 176.411, subdivision 2; 176.421, subdivision 6; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; 176.645, subdivision 2; 176.83, subdivisions 2 and 11; 268.08, subdivision 3; Minnesota Statutes 1985 Supplement, section 176.101, subdivisions 3e and 3t; and 176.138; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; proposing coding for new law as Minnesota Statutes, chapters 176B and 176C; repealing Minnesota Statutes 1984, sections 176.105, subdivisions 1, 2, and 3; 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 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.

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

There were 75 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DenOuden	Jennings, L.	Onnen	Shaver
Anderson, R.	Dimler	Johnson	Ozment	Sherman
Backlund	Dyke	Kalis	Pauly	Sparby
Becklin	Erickson	Kiffmeyer	Piepho	Stanius
Bennett	Fjoslien	Knickerbocker	Poppenhagen	Thiede
Bishop	Forsythe	Kvam	Quist	Thorson
Blatz	Frederick	Levi	Redalen	Tjornhom
Boerboom	Frederickson	Lieder	Rees	Tompkins
Boo	Frerichs	Marsh	Richter	Tunheim
Brinkman	Gruenes	McDonald	Rose	Uphus
Brown	Gutknecht	McPherson	Schafer	Valan
Burger	Hartle	Miller	Schoenfeld	Valento
Carlson, J.	Haukoos	Olsen, S.	Schreiber	Waltman
Clausnitzer	Heap	Olson, E.	Seaberg	Zaffke
Dempsey	Himle	Omann	Segal	Spk. Jennings, D.

Those who voted in the negative were:

Battaglia	Kahn	Murphy	Price	Tomlinson
Beard	Kelly	Nelson, D.	Quinn	Vanasek
Begich	Knuth	Nelson, K.	Rest	Vellenga
Brandl	Kostohryz	Neuenschwander	Rice	Voss
Carlson, L.	Krueger	Norton	Riveness	Welle
Clark	Long	Ogren	Rodosovich	Wenzel
Cohen	McEachern	Osthoff	Sarna	Wynia
Elioff	McLaughlin	Otis	Scheid	
Greenfield	Metzen	Pappas	Skoglund	
Jacobs	Minne	Peterson	Solberg	
Jaros	Munger	Piper	Staten	

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1793:

Ogren, Boo and Becklin.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1950:

Bishop, Blatz and Scheid.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2014.

Backlund, Osthoff and Shaver.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1782:

Anderson, R.; Becklin and Jennings, L.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1824:

Bishop, Piper and Backlund.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1860:

Forsythe, Stanius and Tomlinson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1919:

Levi, Erickson and Haukoos.

There being no objection the order of business reverted to Messages from the Senate.

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. 2195, A bill for an act relating to the city of McIntosh; authorizing the city to issue bonds in excess of its net debt limitations.

H. F. No. 2464, A bill for an act relating to the city of Bowlius; permitting the city to exceed its debt limit for a firehall.

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. 2427, A bill for an act relating to state lands; authorizing exchange of state property with Minnesota transportation museum property.

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. 1886, A bill for an act relating to local government; changing the notice requirements for special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Frederickson moved that the House refuse to concur in the Senate amendments to H. F. No. 1886, 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. 2331, A bill for an act relating to taxation; providing for the taxation of lawful gambling; providing for identification cards for employees of distributors of gambling equipment; providing for the registration of manufacturers of gambling equipment; providing for maximum prizes for pull-tabs; allowing local investigation fees; making unlicensed wholesaling of gambling equipment a felony; regulating off-track betting; exempting certain lawful gambling from licensing and taxation; providing for notification to town boards of license applications; providing a penalty; amending Minnesota Statutes 1984, sections 240.25, subdivision 2; 240.26, subdivisions 1 and 2; 349.12, by adding a subdivision; 349.161, by adding subdivisions; 349.19, subdivision 5; 349.211, by adding a subdivision; 349.212, by adding a subdivision; 349.213, subdivision 2; 349.214, subdivision 2, and by adding a subdivision; 349.22; 349.31, subdivision 1; and 609.761; Minnesota Statutes 1985 Supplement, section 349.212, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349.

PATRICK E. FLAHAVER, Secretary of the Senate

Shaver moved that the House refuse to concur in the Senate amendments to H. F. No. 2331, 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. 2294, A bill for an act relating to labor; independent school district No. 709, Duluth; removing certain educational assistants from civil service; amending Laws 1967, chapter 252, section 2, as amended.

PATRICK E. FLAHAVER, Secretary of the Senate

Jaros moved that the House refuse to concur in the Senate amendments to H. F. No. 2294, that the Speaker appoint a Con-

ference 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. 1730, A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivision 2; and 631.045.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Blatz moved that the House concur in the Senate amendments to H. F. No. 1730 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1730, A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; clarifying requirements in investigation of child abuse; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivisions 2 and 10b; and 631.045.

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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Long	Piper	Sparby
Anderson, R.	Fjoslien	Marsh	Poppenhagen	Stanius
Backlund	Frederick	McDonald	Price	Staten
Battaglia	Frederickson	McEachern	Quinn	Sviggum
Beard	Frerichs	McLaughlin	Quist	Thiede
Becklin	Greenfield	McPherson	Redalen	Thorson
Begich	Gruenes	Metzen	Rees	Tjornhom
Bennett	Gutknecht	Miller	Rest	Tomlinson
Blatz	Hartinger	Minne	Rice	Tompkins
Boerboom	Hartle	Munger	Richter	Tunheim
Boo	Haukoos	Murphy	Riveness	Uphus
Brandl	Himle	Nelson, D.	Rodosovich	Valan
Brinkman	Jacobs	Nelson, K.	Rose	Valento
Brown	Jaros	Norton	Sarna	Vanasek
Burger	Jennings, L.	Ogren	Schafer	Vellenga
Carlson, D.	Johnson	Olsen, S.	Scheid	Voss
Carlson, J.	Kahn	Olson, E.	Schoenfeld	Waltman
Carlson, L.	Kalis	Omann	Schreiber	Welle
Clark	Kelly	Onnen	Seaberg	Wenzel
Clausnitzer	Kiffmeyer	Osthoff	Segal	Wynia
Cohen	Knuth	Otis	Shaver	Spk. Jennings, D.
Dempsey	Kostohryz	Ozment	Sherman	
Dimler	Krueger	Pauly	Simoneau	
Dyke	Levi	Peterson	Skoglund	
Elioff	Lieder	Piepho	Solberg	

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

Mr. Speaker:

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

S. F. No. 31, A bill for an act relating to motorboat safety; requiring liability insurance on watercraft; strengthening prohibitions and penalties regarding operation of motorboat while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, sections 361.02, subdivision 9; 361.03, by adding subdivisions; and 361.12; proposing coding for new law in Minnesota Statutes, chapter 361.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Diessner, Merriam 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

Blatz 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. 31. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 1956, 2067 and 2255.

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. 1648, 1734 and 1744.

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. 2153 and 2127.

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. 2171 and 2129.

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. 1151, 1584 and 1703.

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. 2280.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1956, A bill for an act relating to the city of Plymouth; authorizing establishment of a capital improvement reserve fund.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 2067, A bill for an act relating to local government; permitting the establishment of special service districts in the city of Mendota Heights; providing taxing and other financial authority for the city.

The bill was read for the first time.

Seaberg moved that S. F. No. 2067 and H. F. No. 2131, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2255, A bill for an act relating to the city of Cloquet; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1648, A bill for an act relating to firearms; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1984, section 609.67, subdivisions 3 and 4.

The bill was read for the first time.

Blatz moved that S. F. No. 1648 and H. F. No. 1732, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1734, A resolution relating to education; memorializing the President and Congress of the United States to take action to officially commend those who have assisted the educational process of this country by operating the country's school buses.

The bill was read for the first time.

Anderson, R., moved that S. F. No. 1734 and H. F. No. 1762, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1744, A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans, national guard members, and former prisoners of war; amending Minnesota Statutes 1984, section 168.12, subdivision 2c; repealing Minnesota Statutes 1984, section 168.125, subdivision 1.

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

S. F. No. 2153, A bill for an act relating to agricultural finance; renaming the agricultural resource loan guaranty board; authorizing the board to participate in loans; amending Minnesota Statutes 1984, section 41A.02, subdivisions 3 and 6; Minnesota Statutes 1985 Supplement, sections 41A.01; 41A.02, subdivision 11; and 41A.05, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 1984, section 41A.06, subdivision 2.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 2127, A bill for an act relating to the city of Cologne; exempting certain general obligation bonds and tax levies from debt and levy limitations.

The bill was read for the first time.

McDonald moved that S. F. No. 2127 and H. F. No. 2328, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2171, A bill for an act relating to health; providing exemptions for certain air ambulance services; allowing first responders to drive life support transportation service vehicles

under certain conditions; amending Minnesota Statutes 1984, sections 144.802, subdivision 5, and by adding a subdivision; and 144.804, subdivision 3, and by adding a subdivision.

The bill was read for the first time.

Frerichs moved that S. F. No. 2171 and H. F. No. 2350, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2129, A bill for an act relating to the city of St. Paul; permitting the imposition of an additional tax on transient lodging; providing for the redesign, reconstruction and widening of Lexington avenue south of Larpenteur avenue; amending Laws 1977, chapter 402, section 2.

The bill was read for the first time.

Kelly moved that S. F. No. 2129 and H. F. No. 2248, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1151, A bill for an act relating to elections; adopting the court-ordered congressional redistricting plan, but changing Ottawa township in LeSueur county from the second to the first congressional district; repealing Minnesota Statutes 1984, sections 2.741 to 2.811.

The bill was read for the first time.

Quist moved that S. F. No. 1151 and H. F. No. 1247, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1584, A bill for an act relating to taxation; providing that nonresident athletes and entertainers are exempt from the income tax; imposing an alternative tax on their income; amending Minnesota Statutes 1984, section 290.92, subdivision 4a; and Minnesota Statutes 1985 Supplement, section 290.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 290.

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

S. F. No. 1703, A bill for an act relating to commerce; regulating those who package soft drinks and other nonalcoholic beverages; increasing certain vending machine inspection fees;

clarifying authority to inspect vending machines; clarifying rulemaking authority of commissioner of agriculture; amending Minnesota Statutes 1984, sections 28A.05; 28A.09, subdivision 1; 34.03; and 34.09; repealing Minnesota Statutes 1984, section 34.05.

The bill was read for the first time.

Bennett moved that S. F. No. 1703 and H. F. No. 1852, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2280, A bill for an act relating to taxation; imposing levy limits on certain towns and cities; altering provisions governing distribution of certain taconite tax proceeds; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes and transportation costs; appropriating money; amending Minnesota Statutes 1984, sections 275.125, subdivision 9; 275.50, subdivision 2; 275.51, subdivision 3f; 298.225, by adding a subdivision; and 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; 298.225, subdivision 1; 298.28, subdivision 1; and 299.01, subdivision 1.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Begich moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2280 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Begich moved that the rules of the House be so far suspended that S. F. No. 2280 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2280 was read for the second time.

McKasy moved to amend S. F. No. 2280, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 294.22, is amended to read:

294.22 [GROSS EARNINGS TAX; COMPUTATION.]

Every company owning or operating any taconite railroad shall pay annually into the state treasury a sum of money equal to (FIVE) 3.75 percent of the gross earnings derived from the operation of such taconite railway within the state. The gross earnings of such a taconite railroad company from the transportation of taconite concentrates from the Mesabi Range to ports on Lake Superior, for all purposes hereof, shall be a sum of money equal to the amount which would be charged under established tariffs of common carriers for the transportation of an equal tonnage of iron ore or taconite concentrates, whichever is shipped from Mesabi Range points to ports at the head of Lake Superior, including the established charges for loading such ore on boats. For all purposes of chapter 298 the rate of the gross earnings as so calculated shall be treated as the cost of transportation of such concentrates or iron ore between such points. If such a taconite railroad company transports coal or any other commodity, except taconite concentrates, its gross earnings shall include an amount equal to the established tariffs of common carriers for the transportation of the same quantities of similar commodities for corresponding distances, not, however, including any such charges for any such commodities used or intended to be used in the construction, operation or maintenance of such railroad.

Sec. 2. Minnesota Statutes 1984, section 294.23, is amended to read:

294.23 [COMPANIES LIABLE FOR TAX.]

If a company producing concentrates from taconite shall transport the taconite in the course of the concentrating process and before such concentrating process is completed to a concentrating plant located within the state over a railroad which is not a common carrier and shall not use a common carrier or taconite railroad company as defined in section 294.21 for the movement of the concentrate to a point of consumption or port for shipment beyond the state, then such company nevertheless shall pay annually into the state treasury a tax equal to (FIVE) 3.75 percent of the amount which would be charged for the transportation of such concentrates produced by such taconite company as if such concentrates were transported by a common carrier under established tariffs of common carriers from the Mesabi Range or other iron range point nearest to the mine at which such taconite is quarried to ports at the head of Lake Superior, including established charges for loading such ore on boats. For the purposes of sections 294.24 to 294.28, such a company shall be considered a taconite railroad company.

Sec. 3. Minnesota Statutes 1985 Supplement, section 298.01, subdivision 1, is amended to read:

Subdivision 1. Every person engaged in the business of mining or producing iron ore or other ores in this state shall pay to the state of Minnesota an occupation tax equal to (15 PERCENT OF THE VALUATION OF ALL ORES MINED OR PRODUCED BEFORE JANUARY 1, 1986,) 14.5 percent of the valuation of all ores produced after December 31, 1985 and before January 1, 1987, (AND) 14 percent of the valuation of all ores produced after December 31, 1986 and before January 1, 1988, 13 percent of the valuation of all ore produced after December 31, 1987, and before January 1, 1989, and 12 percent of the valuation of all ore produced after December 31, 1988. Said tax shall be in addition to all other taxes provided for by law and shall be due and payable from such person on or before June 15 of the year next succeeding the calendar year covered by the report thereon to be filed as hereinafter provided.

Sec. 4. Minnesota Statutes 1985 Supplement, section 298.03, is amended to read:

298.03 [VALUE OF ORE; HOW ASCERTAINED.]

Subdivision 1. [GENERALLY.] The valuation of iron or other ores for the purposes of determining the amount of tax to be paid under the provisions of section 298.01 shall be ascertained by subtracting from the value of such ore, at the place where the same is brought to the surface of the earth, such value to be determined by the commissioner of revenue:

(1) the reasonable cost of supplies used and labor performed at the mine in separating the ore from the ore body, including hoisting, elevating, or conveying the same to the surface of the earth;

(2) if the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden, divided by the number of tons of ore uncovered, the number of tons of ore uncovered in each case to be determined by the commissioner of revenue;

(3) if the ore is taken from an underground mine, an amount for each ton of ore mined or produced during the year equal to the cost of sinking and constructing shafts and running drifts, divided by the number of tons of ore that can be advantageously taken out through such shafts and drifts, the number of tons of ore that can be advantageously taken out in each case to be determined by the commissioner of revenue;

(4) the amount of royalties paid on the ore mined or produced during the year;

(5) for persons mining or producing iron ore the mining or production of which is subject to the occupation tax imposed by

section 298.01, subdivision 1, the amount of the ad valorem taxes levied and paid for the year against the realty in which the ore is deposited; for all others a percentage of the ad valorem taxes levied and paid for such year against the realty in which the ore is deposited equal to the percentage that the tons mined or produced during such year bears to the total tonnage in the mine;

(6) in the case of taconite, semitaconite and iron sulphide operations, the tax payable under section 298.24 (, BUT NOT EXCEEDING 25 CENTS PER TAXABLE TON,) and that payable under section 298.35, on the concentrates produced in said year and any taxes paid under Laws 1955, chapter 391, 429, 514, 576 or 540, or any other law imposing on such taconite operations a specific tax for school or other governmental purposes;

(7) the amount or amounts of all the foregoing subtractions shall be ascertained and determined by the commissioner of revenue. Deductions for interest on plant investment shall not exceed the greater of (a) four percent of book value, or (b) the amount actually paid but not exceeding six percent of book value. No subtraction shall be allowed for shrinkage of iron ore.

Subd. 2. [SPECIAL TRANSPORTATION COSTS.] If the ore is not transported using the Great Lakes Seaway system, the commissioner must allow, as a deduction in computing the valuation of the ore, the reasonable cost of transportation of the ore to its destination. This subdivision does not affect the valuation of ore shipped using the Great Lakes Seaway system.

Sec. 5. Minnesota Statutes 1984, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of (\$1.25) \$1.90 cents per gross ton of merchantable iron ore concentrate produced therefrom. (THE TAX ON CONCENTRATES PRODUCED IN 1978 AND SUBSEQUENT YEARS PRIOR TO 1985 SHALL BE EQUAL TO \$1.25 MULTIPLIED BY THE STEEL MILL PRODUCTS INDEX DURING THE PRODUCTION YEAR, DIVIDED BY THE STEEL MILL PRODUCTS INDEX IN 1977. THE INDEX STATED IN CODE NUMBER 1013, OR ANY SUBSEQUENT EQUIVALENT, AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS WHOLESALE PRICES AND PRICE INDEXES FOR THE MONTH OF JANUARY OF THE YEAR IN WHICH THE CONCENTRATE IS PRODUCED SHALL BE THE INDEX USED IN CALCULATING THE TAX IMPOSED HEREIN. IN NO EVENT SHALL THE TAX BE LESS THAN \$1.25 PER GROSS TON OF MERCHANTABLE IRON ORE CONCENTRATE. THE TAX ON

CONCENTRATES PRODUCED IN 1985 AND 1986 SHALL BE AT THE RATE DETERMINED FOR 1984 PRODUCTION. FOR CONCENTRATES PRODUCED IN 1987 AND SUBSEQUENT YEARS, THE TAX SHALL BE EQUAL TO THE PRECEDING YEAR'S TAX PLUS AN AMOUNT EQUAL TO THE PRECEDING YEAR'S TAX MULTIPLIED BY THE PERCENTAGE INCREASE IN THE IMPLICIT PRICE DEFLATOR FROM THE FOURTH QUARTER OF THE SECOND PRECEDING YEAR TO THE FOURTH QUARTER OF THE PRECEDING YEAR. "IMPLICIT PRICE DEFLATOR" MEANS THE IMPLICIT PRICE DEFLATOR PREPARED BY THE BUREAU OF ECONOMIC ANALYSIS OF THE UNITED STATES DEPARTMENT OF COMMERCE.)

(b) (ON CONCENTRATES PRODUCED IN 1984, AN ADDITIONAL TAX IS IMPOSED EQUAL TO EIGHT-TENTHS OF ONE PERCENT OF THE TOTAL TAX IMPOSED BY CLAUSE (A) PER GROSS TON FOR EACH ONE PERCENT THAT THE IRON CONTENT OF SUCH PRODUCT EXCEEDS 62 PERCENT, WHEN DRIED AT 212 DEGREES FAHRENHEIT.)

((C) THE TAX IMPOSED BY THIS SUBDIVISION ON CONCENTRATES PRODUCED IN 1984 SHALL BE COMPUTED ON THE PRODUCTION FOR THE CURRENT YEAR. THE TAX ON CONCENTRATES PRODUCED IN 1985 SHALL BE COMPUTED ON THE AVERAGE OF THE PRODUCTION FOR THE CURRENT YEAR AND THE PREVIOUS YEAR.) The tax on concentrates (PRODUCED IN 1986 AND THEREAFTER) shall be the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

((D)) (c) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$1.25 per gross ton of merchantable iron ore concentrate produced shall be imposed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1987. Section 4 is effective for the value of ore produced after June 30, 1986. Section 5 is effective for the value of ore produced after January 1, 1986."

Delete the title and insert:

"A bill for an act relating to taxation; decreasing the gross earnings tax rate for certain railroads; reducing the occupation

tax rate; allowing full deduction of the production tax and certain transportation expenses in calculating the occupation tax; decreasing the production tax rate; eliminating the indexed increases in the taconite production tax rate; amending Minnesota Statutes 1984, sections 294.23; and 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; and 298.03."

The motion prevailed and the amendment was adopted.

S. F. No. 2280, A bill for an act relating to taxation; imposing levy limits on certain towns and cities; altering provisions governing distribution of certain taconite tax proceeds; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes and transportation costs; appropriating money; amending Minnesota Statutes 1984, sections 275.125, subdivision 9; 275.50, subdivision 2; 275.51, subdivision 3f; 298.225, by adding a subdivision; and 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; 298.225, subdivision 1; 298.28, subdivision 1; and 299.01, 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 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	McEachern	Piper	Sparby
Anderson, R.	Frerichs	McKasy	Poppenhagen	Stanius
Backlund	Greenfield	McLaughlin	Price	Staten
Battaglia	Gruenes	McPherson	Quinn	Sviggunn
Beard	Gutknecht	Metzen	Quist	Thorson
Becklin	Hartle	Miller	Redalen	Tjornhom
Begich	Haukoos	Minne	Rees	Tomlinson
Bennett	Himle	Munger	Rest	Tompkins
Blatz	Jacobs	Murphy	Rice	Tunheim
Boo	Jaros	Nelson, D.	Richter	Uphus
Brandl	Jennings, L.	Nelson, K.	Riveness	Valan
Brinkman	Johnson	Neuenschwander	Rodosovich	Valento
Brown	Kahn	Norton	Rose	Vanasek
Burger	Kalis	Ogren	Sarna	Vellenga
Carlson, D.	Kelly	Olsen, S.	Schafer	Voss
Carlson, L.	Knickerbocker	Olson, E.	Scheid	Waltman
Clark	Knuth	Omann	Schreiber	Welle
Clausnitzer	Kostohryz	Onnen	Seaberg	Wenzel
Dempsey	Krueger	Osthoff	Segal	Wynia
Dimler	Kvam	Otis	Shaver	Zaffke
Dyke	Levi	Ozment	Sherman	Spk. Jennings, D.
Elioff	Liedcr	Pauly	Simoneau	
Erickson	Long	Peterson	Skoglund	
Fjoslien	Marsh	Piepho	Solberg	

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

SPECIAL ORDERS, Continued

H. F. No. 1968 was reported to the House.

Rose moved to amend H. F. No. 1968, the second engrossment, as follows:

Page 3, delete lines 26 to 29 and insert:

"Subd. 14. [NONHAZARDOUS AND INDUSTRIAL WASTE; EVALUATION OF WASTE MANAGEMENT.] The board may evaluate and make recommendations for the management of waste rendered nonhazardous and industrial waste that should be managed separately from mixed municipal solid waste, and may provide technical and planning assistance to political subdivisions, waste generators, and others for the purpose of identifying, developing, and implementing alternative management methods for those wastes."

Page 4, line 10, delete everything after the comma

Page 4, line 11, delete "*consideration*"

Page 4, line 12, before the period insert "*are dismissed from further consideration as candidate sites for hazardous waste facilities*"

Page 10, line 11, after "*management*" insert "*by July 1, 1988, and*"

The motion prevailed and the amendment was adopted.

Tompkins, Rees and Rose moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 20, after line 7, insert:

"Sec. 20. Minnesota Statutes 1985 Supplement, section 473.153, subdivision 1, is amended to read:

Subdivision 1. [FACILITIES REQUIRED.] Except as provided in subdivision 7 and section 115A.33, all facilities for the disposal of solid waste generated by the metropolitan waste control commission shall be established and operated in accordance with this section and section 473.516. The (COUNCIL AND THE) commission shall (ESTABLISH) *acquire and own all of the facilities needed for the disposal of (SOLID WASTE) the sludge ash generated by the commission. The (COUNCIL AND THE) commission shall acquire and establish at least one facility for sludge ash disposal at a site selected by the council under this section, unless the council and the agency determine under section 23 that the facility is not needed.*

Sec. 21. Minnesota Statutes 1984, section 473.153, subdivision 3, is amended to read:

Subd. 3. [MORATORIUM.] In order to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on development within the area of each candidate site and buffer area selected by the council. The moratorium shall extend until six months following the council's decision under subdivision 6 *or until the sites are dismissed from consideration pursuant to section 23*. No development shall be allowed to occur within the area of a site or buffer area during the period of the moratorium without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a candidate site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Sec. 22. Minnesota Statutes 1985 Supplement, section 473.153, subdivision 5, is amended to read:

Subd. 5. [ENVIRONMENTAL REVIEW.] *Unless the council and the agency determine under section 23 that the sludge ash disposal facility required by subdivision 1 is not needed*, an environmental impact statement must be completed on the environmental effects of the council's decisions required by subdivision 6. The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section. The statement must not address or reconsider alternatives eliminated from consideration pursuant to subdivisions 1 and 2 and must not address the matters subject to decision by the council pursuant to subdivision 6b.

Sec. 23. Minnesota Statutes 1984, section 473.153, is amended by adding a subdivision to read:

Subd. 4a. [NEED FOR FACILITY; OPTION TO TERMINATE SITING.] *The council may determine, by resolution following a public hearing, that the new sludge ash disposal facility to be acquired and established under this section, as required by subdivision 1, is not needed, because the council finds that permitted management methods other than land disposal, together with land disposal of ash on property owned by the commission prior to March 1, 1986, will be sufficient to accommodate all of the commission's ash without the acquisition and establishment*

of a new facility. A determination of the council that the facility is not needed is subject to review and approval by the pollution control agency. If the agency disapproves, the council and the commission shall proceed to site, acquire, and establish the facility as required by this section. If the agency approves, the council shall terminate the siting process established by this section and permanently dismiss the candidate sites from further consideration as sites for the facility.

Sec. 24. Minnesota Statutes 1985 Supplement, section 473.-153, subdivision 6b, is amended to read:

Subd. 6b. [CERTIFICATION OF NEED.] (NO NEW FACILITY FOR DISPOSING OF) *The disposal of sludge ash (AND OTHER WASTE) generated by the commission (SHALL BE) is not permitted in the metropolitan area without a certification of need issued by the council indicating the council's determination:*

(a) that the disposal of waste with concentrations of hazardous materials is necessary; and

(b) that (ADDITIONAL) ash disposal (CAPACITY) is (NEEDED) *necessary.*

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and prudent alternatives to ash disposal, including large-scale composting and co-composting of sludge, which would minimize adverse impact upon natural resources. Methods and alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of methods or alternatives, including large-scale composting and co-composting of sludge as an alternative to incineration. In its certification the council shall not consider alternatives which have been eliminated from consideration by the selection of sites pursuant to subdivision 2.

Sec. 25. Minnesota Statutes 1984, section 473.516, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding section 473.523, the commission may enter into a negotiated contract with a private person to use the sludge ash generated by the commission in a manufacturing process. The contract may not exceed 30 years."

Page 22, line 15, delete "24" and insert "30"

Re-number the sections in sequence

Correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Rose; Ogren; Olsen, S.; McDonald; Stanius; Carlson, D.; Long; Uphus; Nelson, D.; Backlund; Neuenschwander; Brown; Fjoslien; Schoenfeld; Vanasek; Krueger; Pauly; Rees; Jennings, L.; Piepho; Lieder; DenOuden; Olson, E.; Ozment; Wynia; Becklin; Battaglia; Kahn; Schafer; Omann; Quist; Munger; Anderson, R.; Sparby and Simoneau moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 1, after line 17, insert:

“Section 1. Minnesota Statutes 1984, section 115.01, is amended by adding a subdivision to read:

Subd. 18. [HAZARDOUS WASTE.] “Hazardous waste” means waste as defined in section 116.06, subdivision 13.

Sec. 2. Minnesota Statutes 1984, section 115.01, is amended by adding a subdivision to read:

Subd. 19. [RADIOACTIVE WASTE.] “Radioactive waste” means high level radioactive waste as defined in section 116C.71, subdivision 17, and low level radioactive waste as defined in article II of the Midwest Interstate Low-Level Radioactive Waste Compact, as enacted by section 116C.831.

Sec. 3. Minnesota Statutes 1984, section 115.01, is amended by adding a subdivision to read:

Subd. 20. [DEPOSITORY.] “Depository” means: (a) a disposal facility or stabilization and containment facility for hazardous waste as defined in section 115A.03; and (b) a radioactive waste management facility as defined in section 116C.71, subdivision 7.

Sec. 4. Minnesota Statutes 1984, section 115.01, is amended by adding a subdivision to read:

Subd. 21. [POTABLE WATER.] “Potable water” means water which is or may be used as a source of supply for human consumption including drinking, culinary use, food processing, and other similar purposes, and which is suitable for such uses in its untreated state or when treated using generally recognized treatment methods.

Sec. 5. Minnesota Statutes 1984, section 115.01, is amended by adding a subdivision to read:

Subd. 22. [GROUND WATER.] "Ground water" means water contained below the surface of the earth in the saturated zone including, without limitation, all waters whether under confined, unconfined, or perched conditions, in near-surface unconsolidated sediment or regolith, or in rock formations deeper underground.

Sec. 6. [115.063] [HAZARDOUS AND RADIOACTIVE WASTE; STATE POTABLE WATER PROTECTION POLICY.]

The legislature finds that:

(1) the waters of the state, because of their abundant quantity and high natural quality, constitute a unique natural resource of immeasurable value which must be protected and conserved for the benefit of the health, safety, welfare, and economic well-being of present and future generations of the people of the state;

(2) the actual or potential use of the waters of the state for potable water supply is the highest priority use of that water and deserves maximum protection by the state; and

(3) the disposal of hazardous waste and radioactive waste in Minnesota may pose a serious risk of pollution of the waters of the state, particularly potable water.

It is therefore the policy of the state of Minnesota, consistent with the state's primary responsibility and rights to prevent, reduce, and eliminate water pollution and to plan for the preservation of water resources, that depositories for hazardous waste or radioactive waste should not be located in any place or be constructed or operated in any manner that can reasonably be expected to cause pollution of potable water.

Sec. 7. [115.065] [PROHIBITION.]

The location, construction, or operation of any depository for hazardous waste or radioactive waste, whether generated within or outside of the state, in any place or in any manner that can reasonably be expected to cause the pollution of potable water is prohibited.

Sec. 8. [115.067] [BELOW GRADE DEPOSITORY; PROHIBITION; EXCEPTION.]

The construction or operation of a depository for hazardous waste or radioactive waste in whole or in part below the natural grade of the land where it is located is prohibited unless the person proposing to construct or operate the depository demonstrates that the depository cannot reasonably be expected to cause the pollution of potable water.

Sec. 9. [115.069] [RADIONUCLIDE POLLUTION; HIGH LEVEL NUCLEAR WASTE DEPOSITORY.]

The determination of whether the location, construction, or operation of a high level radioactive waste depository can reasonably be expected to cause radionuclide pollution of potable ground water in violation of section 7 shall be made in accordance with the provisions of section 26."

Page 11, after line 35, insert:

"Sec. 25. [116C.75] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 25 and 26.

Subd. 2. [GROUND WATER.] "Ground water" means the water contained below the surface of the earth in the saturated zone including, without limitation, all waters whether under confined, unconfined, or perched conditions, in near surface unconsolidated sediment or regolith, or in rock formations deeper underground.

Subd. 3. [UNDISTURBED PERFORMANCE.] "Undisturbed performance" means the predicted behavior of a radioactive waste management facility including consideration of the uncertainties in predicted behavior, if the radioactive waste management facility is not disrupted by human intrusion or unlikely natural events.

Sec. 26. [116C.76] [NUCLEAR WASTE DISPOSAL SYSTEM RELEASE INTO GROUND WATER.]

Subdivision 1. [RADIONUCLIDE RELEASE LEVELS.] Radioactive waste management facilities for high level radioactive wastes must be designed to provide a reasonable expectation that the undisturbed performance of the facility will not cause the radionuclide concentrations, averaged over any year, in ground water to exceed:

- (1) five picocuries per liter of radium-226 and radium-228;*
- (2) 15 picocuries per liter of alpha-emitting radionuclides including radium-226 and radium-228, but excluding radon; or*
- (3) the combined concentrations of radionuclides that emit either beta or gamma radiation that would produce an annual dose equivalent to the total body of any internal organ greater than four millirems per year if an individual consumed two liters per day of drinking water from the ground water.*

Subd. 2. [DISPOSAL RESTRICTED.] The location or construction of a radioactive waste management facility for high

level radioactive waste is prohibited where the average annual radionuclide concentrations in ground water before construction of the facility exceed the limits in subdivision 1.

Subd. 3. [PROTECTION AGAINST RADIONUCLIDE RE-LEASE.] Radioactive waste management facilities for high level radioactive waste must be selected, located, and designed to keep any allowable radionuclide releases to the ground water as low as reasonably achievable."

Renumber sections

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker called Halberg to the Chair.

The question was taken on the Rose et al., amendment and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederickson	Long	Peterson	Skoglund
Backlund	Frerichs	Marsh	Piepho	Solberg
Battaglia	Greenfield	McDonald	Piper	Sparby
Beard	Gruenes	McEachern	Poppenhagen	Stanius
Begich	Gutknecht	McLaughlin	Price	Staten
Bennett	Halberg	McPherson	Quinn	Sviggum
Bishop	Hartinger	Metzen	Quist	Thiede
Blatz	Hartle	Miller	Redalen	Thorson
Boerboom	Haukoos	Minne	Rees	Tjornhom
Boo	Heap	Munger	Rest	Tomlinson
Brandl	Himle	Murphy	Rice	Tompkins
Brown	Jacobs	Nelson, D.	Richter	Tunheim
Carlson, D.	Jaros	Nelson, K.	Riveness	Uphus
Carlson, L.	Jennings, L.	Neuenschwander	Rodosovich	Valan
Clark	Johnson	Norton	Rose	Valento
Clausnitzer	Kahn	Ogren	Sarna	Vanasek
Cohen	Kalis	Olsen, S.	Schafer	Vellenga
Dempsey	Kelly	Olson, E.	Scheid	Voss
DenOuden	Kiffmeyer	Omman	Schoenfeld	Waltman
Dimler	Knickerbocker	Onnen	Schreiber	Welle
Dyke	Knuth	Osthoff	Seaberg	Wenzel
Elioff	Kostohryz	Otis	Segal	Wynia
Erickson	Krueger	Ozment	Shaver	Zaffke
Fjoslien	Levi	Pappas	Sherman	Spk. Jennings, D.
Frederick	Lieder	Pauly	Simoneau	

The motion prevailed and the amendment was adopted.

Begich and Rose moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 22, after line 2, insert:

"Sec. 23. [CITY OF BABBITT; SOLID WASTE MANAGEMENT EXPENDITURES.]

Notwithstanding the provisions of any law or rule to the contrary, the council of the city of Babbitt may by resolution authorize expenditure of funds from any source, including a permanent improvement and replacement fund created under Minnesota Statutes, section 471.571, for any solid waste management purpose, including waste tire recycling. The city may exercise by resolution the powers of a corporation set forth in Minnesota Statutes, section 301.75, to assist and encourage the creation and operation of solid waste management facilities, and may by resolution grant, give, convey, guarantee, or loan funds or property from any source for any solid waste management purpose and may enter into agreements and do all things necessary or convenient to further its solid waste management purpose.

Sec. 24. [ST. LOUIS COUNTY; JOINT POWERS AGREEMENT.]

Notwithstanding any other law to the contrary, the board of commissioners of St. Louis county may by resolution enter into a joint powers agreement with the city of Babbitt by which the county may exercise the powers and authority enumerated in section 23."

Page 22, line 15, delete "24" and insert "26"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing the city of Babbitt to exercise certain powers for solid waste management purposes; authorizing St. Louis county to enter into joint powers agreements with the city of Babbitt;"

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 11, after line 35, insert:

"Sec. 16. Minnesota Statutes 1984, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [PERMITS; WASTE FACILITIES.] The agency may not issue a permit for a new solid waste transfer station within 1/4 mile of a non-retail food warehousing or non-retail food manufacturing facility in excess of 100,000 square feet, unless the facility owner consents."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, after the semicolon insert "restricting location of solid waste transfer stations;"

Page 1, line 8, after "subdivision 6;" insert "116.07, by adding a subdivision;"

A roll call was requested and properly seconded.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker pro tempore Halberg ruled the point of order not well taken and the amendment in order.

Segal moved to amend the Olsen, S., amendment to H. F. No. 1968, the second engrossment, as amended, as follows:

In the Olsen, S., amendment line 7, delete "1/4" and insert "1/2"

Line 9, after "*facility*" insert "*or hospital*"

A roll call was requested and properly seconded.

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

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

There were 25 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Brandl	Jaros	Munger	Piper	Segal
Burger	Kostohryz	Nelson, K.	Rice	Skoglund
Carlson, L.	McDonald	Ogren	Riveness	Staten
Hartinger	McEachern	Olsen, S.	Rodosovich	Vanasek
Heap	Metzen	Onnen	Scheid	Voss

Those who voted in the negative were:

Anderson, C.	Beard	Blatz	Cohen	Elioff
Anderson, R.	Becklin	Boerboom	Dempsey	Erickson
Backlund	Begich	Brinkman	Dimler	Fjoslien
Battaglia	Bennett	Brown	Dyke	Frederick

Frederickson	Krueger	Omann	Richter	Tompkins
Frerichs	Kvam	Otis	Rose	Tunheim
Gruenes	Lieder	Ozment	Sarna	Uphus
Gutknecht	Marsh	Pappas	Schafer	Valan
Halberg	McKasy	Peterson	Schoenfeld	Valento
Hartle	McLaughlin	Piepho	Schreiber	Vellenga
Himle	McPherson	Poppenhagen	Shaver	Waltman
Jacobs	Miller	Price	Solberg	Welle
Kahn	Murphy	Quinn	Stanius	Wenzel
Kelly	Nelson, D.	Quist	Sviggum	Wynia
Kiffmeyer	Neuenschwander	Redalen	Thiede	Zaifke
Knickerbocker	Norton	Rees	Tjornhom	Spk. Jennings, D.
Knuth	Olson, E.	Rest	Tomlinson	

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

The question recurred on the Olsen, S., amendment and the roll was called.

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

There were 32 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Becklin	Forsythe	Johnson	Ozment	Thiede
Bennett	Frederick	Knickerbocker	Piepho	Valan
Blatz	Gruenes	McDonald	Poppenhagen	Valento
Burger	Hartinger	McKasy	Rees	Waltman
Dempsey	Haukoos	McPherson	Richter	
Dyke	Heap	Olsen, S.	Schafer	
Erickson	Himle	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Hartle	Munger	Rice	Thorson
Battaglia	Jacobs	Murphy	Riveness	Tjornhom
Beard	Jennings, L.	Nelson, D.	Rodosovich	Tomlinson
Begich	Kahn	Nelson, K.	Rose	Tompkins
Brandl	Kalis	Neuenschwander	Sarna	Tunheim
Brinkman	Kelly	Norton	Scheid	Uphus
Brown	Kiffmeyer	Ogren	Schoenfeld	Vanasek
Carlson, L.	Knuth	Olson, E.	Schreiber	Vellenga
Clark	Kostohryz	Omann	Seaberg	Voss
Clausnitzer	Krueger	Osthoff	Segal	Welle
Cohen	Lieder	Otis	Sherman	Wenzel
Dimler	Long	Pappas	Simoneau	Wynia
Elioff	McEachern	Peterson	Skoglund	Spk. Jennings, D.
Fjoslien	McLaughlin	Piper	Solberg	
Frerichs	Metzen	Price	Sparby	
Greenfield	Miller	Quinn	Stanius	
Gutknecht	Minne	Rest	Staten	

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

Hartle and Haukoos moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 3, line 6, delete "*that date*" and insert "*January 1, 1987*"

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

Sherman moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 22, after line 2, insert:

"Sec. 23. [CERTIFICATION EXEMPTION.]

Winona county is exempt until September 1, 1988 from the pollution control agency requirement for a certificate of need under Minnesota Statutes, section 115A.917.

Sec. 24. [RULES EXEMPTION.]

Winona county is exempt until September 1, 1988 from any further rules adopted by the Minnesota pollution control agency that are more restrictive than any rules presently in effect pertaining to solid waste landfill sites.

Sec. 25. [PLAN SUBMISSION.]

Winona county shall submit a plan of action by July 1, 1986 for interim solid waste management to the Minnesota pollution control agency for approval regarding sections 23 and 24 of this act.

Sec. 26. [COUNTY PLAN.]

Winona county shall develop a plan of action and provide for the cleanup of the hazardous waste site located in section 9 of Wilson Township in Winona county in accordance with the rules of the pollution control agency."

Page 22, line 15, delete "24" and insert "22, 27 and 28"

Page 22, line 16, after the period insert:

"Sections 23 to 26 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the county board of Winona county."

Renumber sections

Amend the title as follows:

Page 1, line 4, after the semicolon insert "deferring the application of certain Minnesota pollution control agency rules and requiring a plan for waste management for Winona County;"

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

Voss moved to amend H. F. No. 1968, the second engrossment, as amended, as follows:

Page 4, line 29, after the semicolon insert "and"

Page 4, line 30, delete "; and" and insert a period

Page 4, delete lines 31 to 36

Page 5, delete lines 1 to 10

Page 5, line 13, delete "The demonstration"

Page 5, delete lines 14 to 18

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

Kvam was excused for the remainder of today's session.

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

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

There were 30 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Murphy	Peterson	Schoenfeld
Beard	Kostohryz	Norton	Price	Solberg
Brown	Krueger	Ogren	Quinn	Tunheim
DenOuden	McEachern	Olson, E.	Rees	Vanasek
Hartinger	Metzen	Omann	Rodosovich	Voss
Hartle	Minne	Ozment	Sarna	Welle

Those who voted in the negative were:

Anderson, R.	Bishop	Clark	Elioff	Greenfield
Backlund	Blatz	Clausnitzer	Erickson	Gruenes
Battaglia	Brandl	Cohen	Fjoshten	Gutknecht
Becklin	Brinkman	Dempsey	Forsythe	Halberg
Begich	Burger	Dimler	Frederick	Haukoos
Bennett	Carlson, L.	Dyke	Frerichs	Heap

Himle	McLaughlin	Piper	Seaberg	Tjornhom
Jacobs	McPherson	Poppenhagen	Segal	Tomlinson
Jennings, L.	Miller	Quist	Shaver	Tompkins
Kahn	Nelson, D.	Redalen	Sherman	Uphus
Kalis	Nelson, K.	Rest	Simoneau	Valento
Kelly	Neuenschwander	Rice	Skoglund	Vellenga
Kiffmeyer	Olsen, S.	Richter	Sparby	Waltman
Knuth	Onnon	Riveness	Stanius	Wenzel
Levi	Osthoff	Rose	Staten	Wynia
Lieder	Otis	Schafer	Svigum	Zaffke
Long	Pappas	Scheid	Thiede	Spk. Jennings, D.
Marsh	Piepho	Schreiber	Thorson	

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

H. F. No. 1968, A bill for an act relating to environment; providing for the selection of locations for and developers of hazardous waste stabilization and containment facilities; authorizing the city of Babbitt to exercise certain powers for solid waste management purposes; authorizing St. Louis County to enter into joint powers agreements with the city of Babbitt; amending Minnesota Statutes 1984, sections 115.01, by adding subdivisions; 115A.03, subdivision 1, and by adding subdivisions; 115A.05, subdivision 2; 115A.06, by adding a subdivision; 115A.13; 115A.14, subdivision 6; 400.08; 400.11; 473.153, subdivision 3, and by adding a subdivision; 473.516, by adding a subdivision; 473.811, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 275.50, subdivision 5; 473.153, subdivisions 1, 5, and 6b; 477A.012; proposing coding for new law in Minnesota Statutes, chapters 115; 115A; 116C; and 400; repealing Minnesota Statutes 1984, sections 115A.17; 400.05; and 400.10; Minnesota Statutes 1985 Supplement, section 473.811, subdivision 11.

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.

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

There were 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Erickson	Hcap	Kostohryz
Backlund	Burger	Forsythe	Himle	Krueger
Battaglia	Carlson, D.	Frederick	Jacobs	Levi
Beard	Carlson, L.	Frederickson	Jaros	Lieder
Becklin	Clark	Frerichs	Jennings, L.	Long
Begich	Clausnitzer	Greenfield	Johnson	Marsh
Bennett	Cohen	Gruenes	Kahn	McDonald
Bishop	Dempsey	Gutknecht	Kalis	McEachern
Blatz	DenOuden	Halberg	Kelly	McKasy
Boo	Dimler	Hartinger	Kiffmeyer	McLaughlin
Brandl	Dyke	Hartle	Knickerbocker	McPherson
Brinkman	Elioff	Haukoos	Knuth	Metzen

Miller	Osthoff	Rees	Segal	Tomlinson
Minne	Otis	Rest	Shaver	Tompkins
Munger	Ozment	Rice	Sherman	Tunheim
Murphy	Pappas	Richter	Simoneau	Uphus
Nelson, D.	Pauly	Riveness	Skoglund	Valento
Nelson, K.	Peterson	Rodosovich	Solberg	Vanasek
Neuenschwander	Piepho	Rose	Sparby	Vellenga
Norton	Piper	Sarna	Stanius	Waltman
Ogren	Poppenhagen	Schafer	Staten	Welle
Olsen, S.	Price	Scheid	Sviggum	Wenzel
Olson, E.	Quinn	Schoenfeld	Thiede	Wynia
Omann	Quist	Schreiber	Thorson	Zaffke
Onnen	Redalen	Seaberg	Tjornhom	Spk. Jennings, D.

Those who voted in the negative were:

Voss

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

The Speaker called Tomlinson to the Chair.

S. F. No. 1441, A bill for an act relating to human services; providing for computer services to comply with long-term sheltered employment program evaluation criteria and for training and employment of persons with disabilities; amending Minnesota Statutes 1984, section 129A.08, 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.

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

There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clark	Haukoos	McDonald	Onnen
Anderson, R.	Clausnitzer	Himle	McEachern	Osthoff
Backlund	Cohen	Jacobs	McLaughlin	Otis
Battaglia	Dempsey	Jaros	McPherson	Ozment
Beard	DenOuden	Jennings, L.	Metzen	Pappas
Bocklin	Dimler	Johnson	Miller	Pauly
Begich	Dyke	Kahn	Minne	Peterson
Bennett	Elioff	Kelly	Munger	Piepho
Bishop	Erickson	Kiffmeyer	Murphy	Piper
Blatz	Fjoslien	Knickerbocker	Nelson, D.	Poppenhagen
Boo	Frederick	Knuth	Nelson, K.	Price
Brandl	Frerichs	Kostohryz	Neuenschwander	Quinn
Brinkman	Greenfield	Krueger	Norton	Quist
Brown	Gruenes	Levi	Ogren	Redalen
Burger	Gutknecht	Lieder	Olsen, S.	Rees
Carlson, D.	Hartering	Long	Olson, E.	Rest
Carlson, L.	Hartle	Marsh	Omann	Rice

Richter	Schreiber	Sparby	Tompkins	Welle
Riveness	Seaberg	Stanius	Tunheim	Wenzel
Rodosovich	Segal	Staten	Uphus	Wynia
Rose	Shaver	Sviggum	Valan	Zaffke
Sarna	Sherman	Thiede	Valento	
Schafer	Simoneau	Thorson	Vanasek	
Scheid	Skoglund	Tjornhom	Vellenga	
Schoenfeld	Solberg	Tomlinson	Voss	

The bill was passed and its title agreed to.

H. F. No. 2154, A bill for an act relating to taxation; sales and use; exempting materials consumed in certain manufacturing construction in distressed counties; amending Minnesota Statutes 1985 Supplement, sections 297A.15, subdivision 5; and 297A.257, 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.

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

There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Marsh	Peterson	Stanius
Backlund	Frederickson	McEachern	Piepho	Staten
Battaglia	Frerichs	McKasy	Piper	Sviggum
Beard	Greenfield	McLaughlin	Price	Thiede
Becklin	Gruenes	McPherson	Quinn	Thorson
Begich	Gutknecht	Metzen	Quist	Tjornhom
Bennett	Hartinger	Miller	Redalen	Tomlinson
Bishop	Hartle	Minne	Rees	Tompkins
Blatz	Haukoos	Munger	Rest	Tunheim
Boo	Himle	Murphy	Rice	Uphus
Brandl	Jacobs	Nelson, D.	Richter	Valan
Brinkman	Jaros	Nelson, K.	Riveness	Valento
Brown	Jennings, L.	Neuenschwander	Rodosovich	Vanasek
Burger	Johnson	Norton	Rose	Vellenga
Carlson, L.	Kahn	Ogren	Sarna	Voss
Clark	Kelly	Olsen, S.	Scheid	Waltman
Clausnitzer	Kiffmeyer	Olson, E.	Schoenfeld	Welle
Cohen	Knickerbocker	Omann	Schreiber	Wenzel
DenOuden	Knuth	Onnen	Seaberg	Wynia
Dimler	Kostohryz	Osthoff	Sherman	Spk. Jennings, D.
Dyke	Krueger	Otis	Simoneau	
Elioff	Levi	Ozment	Skoglund	
Erickson	Lieder	Pappas	Solberg	
Fjoslien	Long	Pauly	Sparby	

The bill was passed and its title agreed to.

S. F. No. 1910 was reported to the House.

Ozment moved to amend S. F. No. 1910, the unofficial engrossment, as follows:

Page 8, line 24, delete the blank space

Page 8, line 25 delete "percent of"

The motion prevailed and the amendment was adopted.

Dimler moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 6, after line 19, insert:

"Sec. 6. Minnesota Statutes 1984, section 169.99, is amended by adding a subdivision to read:

Subd. 1b. The uniform traffic ticket must provide a blank or space wherein an officer who issues a citation for a violation of section 169.141 must specify whether the speed was greater than ten miles per hour in excess of the speed designated under that section.

Sec. 7. Minnesota Statutes 1984, section 171.12, is amended by adding a subdivision to read:

Subd. 6. [CERTAIN CONVICTIONS NOT RECORDED.] The department shall not keep on the record of a driver any conviction for a violation of section 169.141 unless the violation consisted of a speed greater than ten miles per hour in excess of the lawful speed designated under that section."

Renumber the remaining sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

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

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

There were 79 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Miller	Rees	Stanius
Anderson, R.	Gutknecht	Minne	Rest	Sviggum
Backlund	Hartinger	Murphy	Rice	Thiede
Battaglia	Hartle	Neuenschwander	Richter	Thorson
Beard	Haukoos	Ogren	Rodosovich	Tjornhom
Begich	Jacobs	Olson, E.	Rose	Tomlinson
Bishop	Johnson	Omann	Sarna	Tompkins
Blatz	Kelly	Ozment	Schafer	Tunheim
Brown	Knuth	Pappas	Schoenfeld	Uphus
Burger	Krueger	Pauly	Seaberg	Valan
Carlson, L.	Lieder	Peterson	Segal	Valento
Dimler	Long	Piepho	Shaver	Vanasek
Dyke	Marsh	Piper	Sherman	Waltman
Elioff	McEachern	Price	Simoneau	Welle
Erickson	McKasy	Quinn	Solberg	Wenzel
Frederick	Metzen	Redalen	Sparby	

Those who voted in the negative were:

Brandl	Greenfield	Kostohryz	Onnen	Vellenga
Clark	Gruenes	McLaughlin	Quist	Voss
Cohen	Kahn	Nelson, K.	Skoglund	Wynia
Dempsey	Kiffmeyer	Norton	Staten	Zaffke
Ellingson				

The motion prevailed and the amendment was adopted.

Blatz moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 8, after line 1, insert:

"Sec. 8. Laws 1985, chapter 299, section 40, is amended to read:

Sec. 40. [SPECIAL PERMIT.]

Subdivision 1. [PERMIT TO BE ISSUED.] Notwithstanding any law to the contrary the commissioner of transportation shall issue one special permit authorizing the operation for testing purposes of a three vehicle combination consisting of a motor vehicle, a "motorized hitch" and a trailer. The permit is valid for one year from the date of issuance. The annual fee for the permit is \$30. The permit is subject to all applicable provisions of Minnesota Statutes 1984, section 169.86, except as otherwise provided in this subdivision. The holder of the permit is responsible for all liability for personal injury, property damage or time lost, which may occur as a result of the operation of the combination for which the permit is issued, and must, if a claim is made against the state or a department, division officer or employee thereof arising from such operation, defend, indemnify and hold them harmless.

Subd. 2. [REPEALER.] This section is repealed July 31, (1986) 1987."

Renumber the remaining sections

Page 8, line 31, delete "and 9" and insert "9 and 10"

The motion prevailed and the amendment was adopted.

Dyke, Gruenes, Johnson and Sarna moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 5, after line 16, insert:

"Sec. 4. [161.52] [TOURIST INFORMATION CENTERS.]

For the fiscal year ending June 30, 1988, and subsequent years, the payment of the cost of staffing and operating tourist information centers located on trunk highways, including interstate highways, by the commissioner of transportation is subject to the following restrictions:

- (a) For the fiscal year ending June 30, 1988, not more than two-thirds of the cost may be paid from the trunk highway fund.
- (b) For the fiscal year ending June 30, 1989, not more than one-third of the cost may be paid from the trunk highway fund.
- (c) For the fiscal year ending June 30, 1990, no part of the cost may be paid from the trunk highway fund.

That portion of the cost not paid from the trunk highway fund must be paid either by the commissioner from funds appropriated for that purpose from sources other than the trunk highway fund, or by local sources of funding."

Page 8, after line 29, insert:

"Sec. 12. Laws 1985, First Special Session chapter 15, section 9, subdivision 5, is amended to read:

Subd. 5. Construct rest areas near the cities listed in this subdivision	\$4,099,000
--	-------------

- (a) Baptism River, on trunk highway 61 156,000

This appropriation is added to the appropriation in Laws 1983, chapter 344, section 6, subdivision 8, as amended by Laws 1984, chapter 597, section 54.

(b) Bigelow, on trunk highway 60, including a travel information center 1,191,000

(ONE-HALF THE COST OF STAFFING AND OPERATING THE TRAVEL INFORMATION CENTER MUST BE PAID FROM SOURCES OTHER THAN THE TRUNK HIGHWAY FUND. THE COMMISSIONER MAY PROCEED WITH CONSTRUCTION ONLY AFTER AGREEMENTS TO PROVIDE THIS FUNDING ARE OBTAINED.)

(c) Orr, on trunk highway 53, including a travel information center 573,000

\$341,000 is for construction of parking spaces.

\$232,000 is for a grant to the city of Orr for site acquisition and development and construction of a travel information center.

The costs of maintaining, staffing, and operating the rest area and travel information center must not be paid from the trunk highway fund.

(d) St. Cloud, on trunk highway 10, including a travel information center 1,145,000

(ONE-HALF THE COST OF STAFFING AND OPERATING THE TRAVEL INFORMATION CENTER MUST BE PAID FROM SOURCES OTHER THAN THE TRUNK HIGHWAY FUND. THE COMMISSIONER MAY PROCEED WITH CONSTRUCTION ONLY AFTER AGREEMENTS TO PROVIDE THIS FUNDING ARE OBTAINED.)

(e) St. Peter, on trunk highway 169 1,034,000"

Page 8, line 31, delete "7, 8, and 9" and insert "8, 9, and 10"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "providing funding for tourist information centers;"

Page 1, line 18, after the semicolon insert "removing conditions for the construction of certain highway rest areas;"

Page 1, line 23, delete "and"

Page 1, line 24, after the semicolon, insert "and Laws 1985, First Special Session chapter 15, section 9, subdivision 5;"

The motion prevailed and the amendment was adopted.

Uphus and Waltman offered an amendment to S. F. No. 1910, the unofficial engrossment, as amended.

POINT OF ORDER

Minne raised a point of order pursuant to rule 5.7 relating to bills carrying an appropriation. The Speaker pro tempore Tomlinson ruled the point of order not well taken and the Uphus and Waltman amendment in order.

POINT OF ORDER

Ozment raised a point of order pursuant to rule 5.10 that the Uphus and Waltman amendment was out of order. The Speaker pro tempore Tomlinson ruled the point of order well taken and the Uphus and Waltman amendment out of order.

Marsh moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 8, after line 29, insert:

"Sec. 11. [RECONVEYANCE.]

Notwithstanding any other law, the proceeds from the conveyance of excess real estate in the city of St. Cloud that was acquired for the improvement of marked trunk highway no. 15 in the St. Cloud metropolitan area must be placed by the state treasurer in a separate account if the excess real estate is conveyed before the improvement is completed. All money in this account is hereby appropriated to the commissioner for expenditure only to pay the costs of completing the improvement of marked trunk highway no. 15 in the St. Cloud metropolitan area. The commissioner shall pay any money so appropriated which is in excess of the amount required to complete the improvement to the state treasurer for deposit in the trunk highway fund. For purposes of this section "St. Cloud metropolitan area" means the cities of St. Cloud, St. Joseph, Sauk Rapids, Waite Park and Sartell and all towns contiguous to those cities. For purposes of this section, "improvement" means the segment of trunk highway no. 15 between county road 137 in St. Cloud and Benton Drive in Sauk Rapids."

Renumber section 11 as section 12

Page 8, line 31, delete "and 9" and insert "9 and 11"

Amend the title as follows:

Page 1, line 18, after the semicolon insert "providing for the expenditure of the proceeds from the conveyance of certain real property;"

The motion prevailed and the amendment was adopted.

Thiede, Johnson and Lieder moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 5, after line 16, insert:

"Sec. 4. [163.161] [IMPASSABLE CITY THROUGH-FARES.]

When a written complaint signed by five or more freeholders of a statutory city is presented to the county board stating that a city throughfare has not been properly maintained and because of the improper maintenance is not reasonably passable the county board shall consider and act upon the complaint in the same manner provided for a complaint under section 163.16."

Renumber the sections in order

Correct all internal cross references

Amend the title accordingly

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

Tjornhom and Riveness moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 5, after line 16, insert:

"Sec. 4. Minnesota Statutes 1984, section 162.14, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY IS APPORTIONED.] Money so apportioned to each such city shall be used for aid in the establishment, location, construction, reconstruction, improvement, and maintenance of the municipal state-aid street system within each city including the expense of sidewalks, signals and safety devices, *including systems that permit an emergency vehicle operator to activate a green traffic signal for the emergency vehicle*, on such system approved by the commissioner, provided that in the event of hardship or in the event that

the municipal state-aid street system of any municipality is improved to the standards set forth in the commissioner's rules and regulations, and subject to the consent of the commissioner and under rules and regulations of the commissioner, a portion of the money so apportioned may be used on other streets or roads within the city. The governing body of any such city may, subject to the consent of the commissioner, and under the rules and regulations of the commissioner, use a portion of the money so apportioned on any state trunk highway or county state-aid highway within the city. The amount of money to be appropriated by such cities from other funds for use in the establishment, location, construction, reconstruction, improvement, and maintenance of the municipal state-aid street system within the city is hereby left to the direction of the individual governing bodies of the cities."

Renumber the sections

Amend the title as follows:

Page 1, line 18, after the semicolon insert "authorizing cities to use municipal state-aid funds to purchase emergency traffic light systems;"

Page 1, line 19, after "sections" insert "162.14, subdivision 2;"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Redalen moved to amend S. F. No. 1910, the unofficial engrossment, as amended, as follows:

Page 8, after line 29, insert:

"Sec. 11. [FORESTVILLE STATE PARK ROADS.]

Up to \$1,000 of the cost incurred in the biennium ending June 30, 1987, by Fillmore county in maintaining roads that provide access to Forestville state park shall be reimbursed from the state park road account created by Minnesota Statutes 1984, section 162.06, subdivision 5."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Uphus moved to amend the Redalen amendment to S. F. No. 1910, the unofficial engrossment, as amended, as follows:

After line 8, insert:

“Sec. 12. [TOWN ROAD.]

Notwithstanding any law to the contrary, after June 30, 1986, the department of natural resources shall assume the responsibility to maintain, repair, improve, and reconstruct the town road right-of-way named T904, key no. 647, located in Stearns county and described approximately as follows:

Commencing at the intersection of County State-Aid Highway 17 with the south section line of Section 1, Township 126 North Range 33 West in Stearns county thence extending in a northerly direction for approximately 1.0 mile to the north section line of Section 1 thence extending in a westerly direction along said line to the Northwest corner of Section 1 thence extending in a northerly direction along the west section line of Section 36 Township 127 North Range 33 West of Stearns county to the northwest corner of said Section 36 to the north section line of Section 36.”

POINT OF ORDER

Rodosovich raised a point of order pursuant to rule 5.10 that the Uphus amendment to the Redalen amendment was out of order. The Speaker ruled the point of order not well taken and the Uphus amendment to the Redalen amendment in order.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.9 that the Redalen amendment and the Uphus amendment to the Redalen amendment were not in order. The Speaker ruled the point of order not well taken and the amendment and the amendment to the amendment in order.

Ozment moved that S. F. No. 1910, as amended, be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1642, A bill for an act relating to commerce; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.245; 326.248; Minnesota Statutes 1985 Supplement, sections 326.01, subdivision 5; 326.242, subdivisions 1, 2, 6, and 12; 326.2421, subdivision 3; 326.244, subdivisions 2 and 5; and 326.246.

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.

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

There were 115 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Lieder	Pappas	Simoneau
Anderson, R.	Fjoslien	Long	Pauly	Skoglund
Backlund	Frederick	Marsh	Peterson	Solberg
Battaglia	Frerichs	McEachern	Piepho	Sparby
Beard	Greenfield	McKasy	Piper	Stanius
Becklin	Gutknecht	McLaughlin	Price	Staten
Begich	Hartinger	McPherson	Quinn	Sviggum
Bennett	Hartle	Metzen	Quist	Thiede
Boo	Haukoos	Miller	Redalen	Thorson
Brandl	Heap	Minne	Rces	Tjornhom
Brinkman	Himle	Munger	Rest	Tomlinson
Brown	Jacobs	Murphy	Rice	Tompkins
Burger	Jaros	Nelson, D.	Richter	Tunheim
Carlson, D.	Jennings, L.	Nelson, K.	Riveness	Uphus
Carlson, L.	Johnson	Neuenschwander	Rodosovich	Valento
Clark	Kahn	Norton	Rose	Vanasek
Clausnitzer	Kelly	Ogren	Sarna	Vellenga
Cohen	Kiffmeyer	Olson, E.	Schafer	Voss
Dempsey	Knickerbocker	Omann	Scheid	Waltman
Dimler	Knuth	Onnen	Schoenfeld	Welle
Dyke	Kostohryz	Osthoff	Seaberg	Wenzel
Elioff	Krueger	Otis	Segal	Wynia
Ellingson	Levi	Ozment	Shaver	Spk. Jennings, D.

The bill was passed and its title agreed to.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2294:

Jaros, Boo and Erickson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2331:

Shaver, Quinn and Gutknecht.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 31:

Blatz, Frerichs and Kelly.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

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. 1824, A bill for an act relating to statutes; adopting as amended a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, sections 3C.10, subdivision 1; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 645.

The Senate has appointed as such Committee Ms. Reichgott, Mrs. Lantry and Mr. Pogemiller.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

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. 1860, A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

The Senate has appointed as such Committee Messrs. Diessner, Wegscheid and Knaak.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

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. 1782, A bill for an act relating to natural resources; enacting the lake improvement district act; providing for the

creation, powers, and termination of lake improvement districts; amending Minnesota Statutes 1984, sections 378.41; 378.42; 378.43; 378.44; 378.46; 378.47; 378.51; 378.52; 378.55; 378.56; and 378.57; proposing coding for new law in Minnesota Statutes, chapter 378; repealing Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53.

The Senate has appointed as such Committee Messrs. Peterson, C. C.; Merriam and Bernhagen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

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. 1919, A bill for an act relating to education; imposing a limit on participation; eliminating state tuition reimbursement for courses taken for post-secondary credit; making other modifications to the post-secondary enrollment options program; providing options for swimming classes in junior high schools; amending Minnesota Statutes 1984, sections 123.35, by adding a subdivision; 124A.034, subdivisions 1 and 2; 363.03, subdivision 5; Minnesota Statutes 1985 Supplement, section 123.3514, subdivisions 3, 4, 5, 6, 8, and 10, and by adding subdivisions; and Laws 1985, First Special Session chapter 12, article 5, section 7; proposing coding for new law in Minnesota Statutes, chapter 126.

The Senate has appointed as such Committee Mr. Nelson, and Mrs. Olson and Ms. Peterson, D. C.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

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. 2014, A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election

judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03.

The Senate has appointed as such Committee Messrs. Hughes and Johnson, D. E., and Ms. Peterson, D. C.

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 654, A bill for an act relating to crimes; establishing mandatory minimum terms of imprisonment for the crimes of residential burglary, burglary of an occupied dwelling, aggravated robbery of a pharmacy, and selling cocaine, heroin, and hallucinogens; amending Minnesota Statutes 1984, sections 152.15, by adding subdivisions; 609.245; and 609.582, by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Marsh moved that the House refuse to concur in the Senate amendments to H. F. No. 654, 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. 2169, A bill for an act relating to public lands; providing for a procedure to sell state leased lands; providing for maximum lease rates; providing for an endowment fund and the disposition of proceeds of the land acquisition account; per-

mitting Winona county to convey certain real estate to a county agricultural society; proposing coding for new law in Minnesota Statutes, chapter 92.

PATRICK E. FLAHAVEN, Secretary of the Senate

Minne moved that the House refuse to concur in the Senate amendments to H. F. No. 2169, 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 has concurred in and adopted the report of the Conference Committee on:

S. F. No. 5, A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

The Speaker called Halberg to the Chair.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 5

A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1;

340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

March 12, 1986

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 5, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 5 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and his ability to operate a motor vehicle with safety as may be required by the commissioner. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application shall be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) *the effect of alcohol on driving ability;*
- (2) *the effect of mixing alcohol with drugs;*
- (3) *the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and*

(4) *the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.*

Sec. 2. Minnesota Statutes 1984, section 171.13, is amended by adding a subdivision to read:

Subd. 1b. [DRIVER'S MANUAL.] The commissioner shall include in each edition of the driver's manual published by the department a chapter relating to the effect of alcohol consumption on highway safety and on the ability of drivers to safely operate motor vehicles and a summary of the laws of Minnesota on operating a motor vehicle while under the influence of alcohol or a controlled substance.

Sec. 3. Minnesota Statutes 1985 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before his drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$150 fee before his or her drivers license is reinstated (;) *to be credited as follows:*

(1) 50 percent (OF THIS FEE) shall be credited to the trunk highway fund (AND 50);

(2) 25 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account is appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5; *and*

(3) 25 percent shall be credited to a separate account to be known as the alcohol impaired driver education account. Money in the account is appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1988, on the expenditure of grant funds under this clause.

Sec. 4. Minnesota Statutes 1985 Supplement, section 340A.-301, subdivision 2, is amended to read:

Subd. 2. [PERSONS ELIGIBLE.] Licenses under this section may be issued only to a person who:

- (1) is a citizen of the United States or a resident alien;
- (2) is of good moral character and repute;
- (3) is (19) 21 years of age or older;

(4) has not had a license issued under this chapter revoked within five years of the date of license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; and

(5) has not been convicted within five years of the date of license application of a felony, or of a willful violation of a federal or state law, or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of alcoholic beverages.

Sec. 5. Minnesota Statutes 1985 Supplement, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

- (1) a person not a citizen of the United States or a resident alien;
- (2) a person under (19) 21 years of age;

(3) a person who within five years of the license application has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution, of intoxicating or nonintoxicating malt liquors;

(4) a person who has had an intoxicating liquor or non-intoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; or

- (5) a person not of good moral character and repute.

Sec. 6. Minnesota Statutes 1985 Supplement, section 340A.503, is amended to read:

340A.503 [PERSONS UNDER (19) 21; ILLEGAL ACTS.]

Subdivision 1. [CONSUMPTION.] It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee or bottle club permit holder under section 340A.414, to permit any person under the age of (19) 21 years to consume alcoholic beverages on the licensed premises; or

(2) person under the age of (19) 21 years to consume any alcoholic beverages unless in the household of the person's parent or guardian and with the consent of the parent or guardian.

Subd. 2. [PURCHASING.] It is unlawful for any person:

(1) to sell, barter, furnish, or give alcoholic beverages to a person under (19) 21 years of age, except that a parent or guardian of a person under the age of (19) 21 years may give or furnish alcoholic beverages to that person solely for consumption in the household of the parent or guardian;

(2) under the age of (19) 21 years to purchase or attempt to purchase any alcoholic beverage; or

(3) to induce a person under the age of (19) 21 years to purchase or procure any alcoholic beverage.

Subd. 3. [POSSESSION.] It is unlawful for a person under the age of (19) 21 years to possess any alcoholic beverage with the intent to consume it at a place other than the household of the person's parent or guardian. Possession at a place other than the household of the parent or guardian is prima facie evidence of intent to consume it at a place other than the household of the parent or guardian.

Subd. 4. [ENTERING LICENSED PREMISES.] (a) It is unlawful for a person under the age of (19) 21 years to enter an establishment licensed for the sale of alcoholic beverages or any municipal liquor store for the purpose of purchasing or having served or delivered any alcoholic beverage.

(b) *Notwithstanding section 340A.509, no ordinance enacted by a statutory or home rule charter city may prohibit a person 18, 19, or 20 years old from entering an establishment licensed under this chapter to:*

(1) *perform work for the establishment, including the serving of alcoholic beverages, unless otherwise prohibited by section 340A.412, subdivision 10;*

(2) *consume meals; and*

(3) *attend social functions that are held in a portion of the establishment where liquor is not sold.*

Subd. 5. [MISREPRESENTATION OF AGE.] It is unlawful for a person under the age of (19) 21 years to misrepresent his or her age for the purpose of purchasing alcoholic beverages.

Subd. 6. [PROOF OF AGE.] Proof of age for purchasing or consuming alcoholic beverages may be established only by a valid drivers license or Minnesota identification card, or in the case of a foreign national by a valid passport.

Subd. 7. [RECORD OF VIOLATION.] *If a person who is 18, 19, or 20 years old is convicted of a violation under this section, none of the records of the court, including legal records, shall be open to public inspection or their contents disclosed except by order of the court.*

Sec. 7. Minnesota Statutes 1985 Supplement, section 340A.507, is amended by adding a subdivision to read:

Subd. 4. [CAMPUS CONTESTS RESTRICTED.] *No manufacturer, wholesaler, or retailer of alcoholic beverages, whether holding a license in Minnesota or not, may conduct, sponsor, or contribute financially to events or activities that are held on the campuses or other property of a post-secondary institution of learning, and involve the consumption or sale of alcoholic beverages. This subdivision does not affect on-campus, licensed retailers of alcoholic beverages.*

Sec. 8. [CERTAIN PERSONS EXCEPTED.]

A person who was born on or before September 1, 1967, may continue to purchase and consume alcoholic beverages and shall be treated for purposes of Minnesota Statutes, chapter 340A, as a person who is 21 years old.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 2, and 4 to 8 are effective September 1, 1986. Section 3 is effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to liquor; increasing the age for licensing, consumption, furnishing, purchasing, or possessing liquor or entering a licensed establishment; requiring information on alcohol and driving; providing that 25 percent of drivers license reinstatement fee is credited to the alcohol impaired driver education account; providing that records of liquor-related

convictions of 18, 19, and 20-year-olds are confidential; providing that local governments may not presume intent to consume liquor; providing that persons under 21 may enter liquor establishments for certain purposes; prohibiting certain on-campus events sponsored by manufacturers, wholesalers, and retailers of alcoholic beverages; providing that persons born on or before September 1, 1967, are treated as 21-year-olds for purposes of the liquor laws; appropriating money; amending Minnesota Statutes 1984, sections 171.06, subdivision 3; and 171.13, by adding a subdivision; and Minnesota Statutes 1985 Supplement, sections 171.29, subdivision 2; 340A.301, subdivision 2; 340A.402; 340A.503; and 340A.507, by adding a subdivision."

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

Senate Conferees: A. W. "BILL" DIESSNER, CLARENCE M. PURFEERST and DEAN E. JOHNSON.

House Conferees: GARY L. SCHAFFER, GIL GUTKNECHT and RANDY C. KELLY.

Schafer moved that the report of the Conference Committee on S. F. No. 5 be adopted and that the bill be repassed as amended by the Conference Committee.

The Speaker resumed the Chair.

Brinkman moved that the House refuse to adopt the Conference Committee report on S. F. No. 5, that the present Conference Committee on the part of the House be discharged, that the Speaker be requested to appoint new conferees on the part of the House, and that the Senate be advised of the House action.

A roll call was requested and properly seconded.

The question was taken on the Brinkman motion and the roll was called.

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

There were 71 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Halberg	Levi	Munger
Backlund	Clark	Heap	Lieder	Murphy
Beard	Cohen	Jacobs	Long	Neuenschwander
Begich	Dempsey	Jaros	McEachern	Norton
Bennett	Ellingson	Jennings, L.	McLaughlin	Ogren
Bishop	Frederick	Kahn	McPherson	Olson, E.
Boerboom	Frerichs	Kalis	Metzen	Omann
Brandl	Greenfield	Kostohryz	Miller	Osthoff
Brinkman	Gruenes	Krueger	Minne	Ozment

Pappas	Riveness	Schoenfeld	Sparby	Voss
Peterson	Rodosovich	Sherman	Tompkins	Welle
Piepho	Rose	Simoneau	Tunheim	Wenzel
Piper	Sarna	Skoglund	Vanasek	Wynia
Quinn	Scheid	Solberg	Vellenga	Spk. Jennings, D.
Rice				

Those who voted in the negative were:

Anderson, R.	Elioff	Knickerbocker	Price	Sviggum
Battaglia	Erickson	Knuth	Quist	Thiede
Becklin	Fjoslien	Kvam	Redalen	Thorson
Blatz	Forsythe	Marsh	Rees	Tjornhom
Boo	Frederickson	McDonald	Rest	Tomlinson
Burger	Gutknecht	McKasy	Richter	Uphus
Carlson, D.	Hartinger	Nelson, D.	Schafer	Valan
Carlson, J.	Hartle	Nelson, K.	Schreiber	Valento
Carlson, L.	Haukoos	Olsen, S.	Seaberg	Waltman
Clausnitzer	Himle	Onnen	Segal	Zaffke
DenOuden	Johnson	Otis	Shaver	
Dimler	Kelly	Pauly	Stanius	
Dyke	Kiffmeyer	Poppenhagen	Staten	

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. 1875, A bill for an act relating to health; creating a public corporation to provide health care services, education, and research; providing for governance of St. Paul Ramsey Medical Center and creation of a physicians and dentists subsidiary; proposing coding for new law as Minnesota Statutes, chapter 246A; repealing Minnesota Statutes 1984, section 383A.41, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kelly moved that the House refuse to concur in the Senate amendments to H. F. No. 1875, 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.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 654:

Marsh, Blatz and Kelly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2169:

Minne, Thiede and Olsen, S.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1875:

Kelly, Knickerbocker and O'Connor.

Levi moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Knuth moved that his name be stricken as an author on H. F. No. 1894. The motion prevailed.

Price moved that the words "by request" be added after the name of Beard on H. F. No. 2443. The motion prevailed.

Minne moved that S. F. No. 1832 be recalled from the Committee on Appropriations and together with H. F. No. 2073, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Osthoff moved that H. F. No. 2452 be returned to its author. The motion prevailed.

Gruenes moved that H. F. No. 2126 be returned to its author. The motion prevailed.

Haukoos moved that H. F. No. 1952 be returned to its author. The motion prevailed.

Dyke moved that H. F. No. 2260 be returned to its author. The motion prevailed.

Wenzel moved that the following statement be printed in the Journal for today:

"When the vote was taken on the Kvam amendment to H. F. No. 2037 I inadvertently voted in the affirmative. If I had the opportunity to change my vote, I would have voted in the negative." The motion prevailed.

Munger, Boo and Jaros introduced :

House Resolution No. 49, A house resolution commending the citizens of Duluth for their citywide high school reunion.

The resolution was referred to the Committee on Rules and Legislative Administration.

Vanasek and Rodosovich introduced :

House Resolution No. 50, A house resolution proclaiming May 3 and 4, 1986, as Loyalty Day in Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

Rose introduced :

House Resolution No. 51, A house resolution recognizing and celebrating the 75th Anniversary of the Department of Natural Resources, Division of Forestry.

The resolution was referred to the Committee on Environment and Natural Resources.

Levi introduced :

House Concurrent Resolution No. 16, A house concurrent resolution relating to the delivery of bills to the governor after final adjournment.

The Concurrent Resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 11 :00 a.m., Saturday, March 15, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Saturday, March 15, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives