

## STATE OF MINNESOTA

## SEVENTY-FIFTH SESSION—1987

## TWENTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 6, 1987

The House of Representatives convened at 2:00 p.m. and was called to order by Fred C. Norton, Speaker of the House.

Prayer was offered by the Reverend Heather Bjork, Golden Valley United Methodist Church, Golden Valley, Minnesota.

The roll was called and the following members were present:

|              |             |                |             |             |
|--------------|-------------|----------------|-------------|-------------|
| Anderson, G. | Greenfield  | Lieder         | Otis        | Skoglund    |
| Anderson, R. | Gruenes     | Long           | Ozment      | Solberg     |
| Battaglia    | Gutknecht   | Marsh          | Pappas      | Sparby      |
| Bauerly      | Hartle      | McDonald       | Pauly       | Stanius     |
| Beard        | Haukoos     | McEachern      | Pelowski    | Steensma    |
| Begich       | Heap        | McKasy         | Peterson    | Sviggum     |
| Bennett      | Himle       | McLaughlin     | Poppenhagen | Swenson     |
| Bertram      | Hugoson     | McPherson      | Price       | Thiede      |
| Bishop       | Jacobs      | Milbert        | Quinn       | Tjornhom    |
| Blatz        | Jaros       | Miller         | Quist       | Tompkins    |
| Boo          | Jefferson   | Minne          | Redalen     | Trimble     |
| Brown        | Jennings    | Morrison       | Reding      | Tunheim     |
| Burger       | Jensen      | Munger         | Rest        | Uphus       |
| Carlson, D.  | Johnson, A. | Murphy         | Richter     | Valento     |
| Carlson, L.  | Johnson, R. | Nelson, C.     | Riveness    | Vanasek     |
| Carruthers   | Johnson, V. | Nelson, D.     | Rodosovich  | Vellenga    |
| Clark        | Kahn        | Nelson, K.     | Rose        | Voss        |
| Clausnitzer  | Kalis       | Neuenschwander | Rukavina    | Wagenius    |
| Cooper       | Kelly       | O'Connor       | Sarna       | Waltman     |
| Dauner       | Kelso       | Ogren          | Schafer     | Welle       |
| DeBlick      | Kinkel      | Olsen, S.      | Scheid      | Wenzel      |
| Dempsey      | Kludt       | Olson, E.      | Schoenfeld  | Winter      |
| Dille        | Knuth       | Olson, K.      | Schreiber   | Wynia       |
| Dorn         | Kostohryz   | Omann          | Seaberg     | Spk. Norton |
| Forsythe     | Krueger     | Onnen          | Segal       |             |
| Frederick    | Larsen      | Orenstein      | Shaver      |             |
| Frerichs     | Lasley      | Osthoff        | Simoneau    |             |

A quorum was present.

Knickerbocker and Rice were excused.

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

## REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 96, 338, 427, 561, 690, 1034, 391, 590, 704, 841, 941, 1024, 1031, 1077, 1159, 692 and 806 and S. F. Nos. 440 and 397 have been placed in the members' files.

## REPORTS OF STANDING COMMITTEES

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

H. F. No. 43, A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1986, section 168.12, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, after "July 1, 1978," insert "was discharged under honorable conditions"

Page 1, after line 19, insert:

"The veteran shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application."

Page 1, line 20, delete "adjutant general" and insert "commissioner of veterans affairs"

Page 1, line 23, delete "adjutant general" and insert "commissioner of veterans affairs"

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

The report was adopted.

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

H. F. No. 97, A bill for an act relating to public improvements; providing for loans for firefighting facilities; providing for a state

bond issue; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 1, line 19, delete "nine percent" and insert "....."

Page 2, line 5, delete "\$10,000,000" and insert "\$5,000,000"

Page 2, line 14, delete "\$10,000,000" and insert "\$5,000,000"

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

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 177, A bill for an act relating to human services; reducing state aid for general assistance to counties that fail to provide literacy training; requiring certain recipients of general assistance to attend adult literacy training; amending Minnesota Statutes 1986, sections 256D.03, subdivision 2; and 256D.05, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1a, and according to procedures established by the commissioner, except that, after December 31, 1987, state aid is reduced to 65 percent of all general assistance grants if the local agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.05, subdivision 1, paragraph (a), clause (15).

After December 31, 1986, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section 256D.051 if the county does not have an approved and operating community investment program.

Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 2. Minnesota Statutes 1986, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance if the person or family is:

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

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

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

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;

(7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;



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

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

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause.

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of jobs and training;

(13) a person who is certified by the commissioner of jobs and training before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of jobs and training in consultation with the commissioner; ~~or~~

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be ~~functionally~~ illiterate ~~or~~ learning disabled; or

(15) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be functionally illiterate, provided that the person complies with literacy training requirements set by the local agency under section 3.

(b) The following persons or families with income and resources that are less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

(1) a person who has borderline mental retardation; and

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

Sec. 3. [256D.0505] [LITERACY TRAINING FOR RECIPIENTS.]

Subdivision 1. [OCCUPATIONAL AND VOCATIONAL PROGRAMS.] The local agency must work with local educational institutions and job training programs in the identification, development, and utilization of occupational and vocational literacy programs for general assistance recipients. Occupational and vocational literacy programs are programs which provide literacy training to adults who lack formal education or job skills. The programs emphasize particular language and reading skills needed for successful job performance.

Subd. 2. [ASSESSMENT AND ASSIGNMENT.] The local agency must:

(1) assess existing reading level, learning disabilities, reading potential, and vocational or occupational interests of people eligible under section 256D.05, subdivision 1, paragraph (a), clause (15);

(2) assign suitable recipients to openings in occupational and vocational literacy programs;

(3) if no openings are available in accessible occupational or vocational literacy programs, assign suitable recipients to openings in other accessible literacy training programs; and

(4) reassign to another literacy program any recipient who does not complete an assigned program and who wishes to try another program.

Subd. 3. [SERVICES PROVIDED.] The local agency must provide child care and transportation to enable people to participate in literacy training under this section.

Subd. 4. [PAYMENT OF GENERAL ASSISTANCE.] The local agency must provide assistance under section 256D.05, subdivision 1, paragraph (a), clause (15) to people who:

(1) participate in a literacy program assigned under subdivision 2. To "participate" means to attend regular classes, complete assignments, and make progress toward literacy goals;

(2) despite participation for a period of six months or more, fail to progress in assigned literacy programs;

(3) are not assigned to literacy training because there is no program available or accessible to them; or

(4) have failed for good cause to complete an assigned literacy program.

Subd. 5. [REASSESSMENT AND LITERACY REFERRAL.] (a) When a person is no longer functionally illiterate under rules adopted by the commissioner or is terminated for failure to comply with literacy training requirements, the local agency must assess the person's eligibility for general assistance under the remaining provisions of section 256D.05, subdivision 1, paragraph (a). The local agency must refer to the work readiness program under section 256D.051 all people not eligible for general assistance.

(b) The local agency may also refer for voluntary work readiness services all recipients who reach a level of literacy that may allow successful participation in job training, provided that the job training does not interfere with a recipient's participation in literacy training. However, referral under this clause does not affect general assistance eligibility.

Subd. 6. [RIGHT TO NOTICE AND HEARING.] The local agency shall provide notice and opportunity for hearings for adverse actions under this section according to sections 256D.10 and 256D.101.

Subd. 7. [COSTS.] The state shall reimburse local agencies for the costs of providing child care and transportation under this section.

Sec. 4. Minnesota Statutes 1986, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [LOCAL AGENCY DUTIES.] (a) The local agency shall provide to registrants under subdivision 1 a work readiness program. The work readiness program must include:

(1) an employability assessment and development plan in which the local agency estimates the length of time it will take the registrant to obtain employment;

(2) referral to available employment assistance programs including the Minnesota employment and economic development program;

(3) a job search program; and

(4) other activities designed by the local agency to prepare the registrant for permanent employment.

In order to allow time for job search, the local agency shall not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency may provide a work readiness program to recipients under section 256D.05, subdivision 1, paragraph (b) and shall provide a work readiness program to recipients referred under section 3, subdivision 5, paragraph (b).

#### Sec. 5. [APPROPRIATION.]

\$..... is appropriated to the commissioner of human services for use in providing state aid under section 1."

Delete the title and insert:

"A bill for an act relating to human services; reducing state aid for general assistance to counties that fail to provide literacy training; requiring certain recipients of general assistance to attend adult literacy training; setting forth requirements for literacy training programs; appropriating money; amending Minnesota Statutes 1986, sections 256D.03, subdivision 2; 256D.05, subdivision 1; and 256D.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256D."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 200, A bill for an act relating to the child abuse reporting act; providing a standard for the disclosure of the reporter's name; amending Minnesota Statutes 1986, section 626.556, subdivision 11.

Reported the same back with the following amendments:

Page 2, line 15, strike everything after "confidential"

Page 2, line 16, strike "individual subject of the record upon" and delete the new language

Page 2, delete line 17

Page 2, line 18, delete "faith" and after the period insert "The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure."

Page 3, after line 13, insert:

"Sec. 2. Minnesota Statutes 1986, section 626.557, subdivision 12, is amended to read:

Subd. 12. [RECORDS.] (a) Each licensing agency shall maintain summary records of reports of alleged abuse or neglect and alleged violations of the requirements of this section with respect to facilities or persons licensed or credentialed by that agency. As part of these records, the agency shall prepare an investigation memorandum. Notwithstanding section 13.46, subdivision 3, the investigation memorandum shall be accessible to the public pursuant to section 13.03 and a copy shall be provided to any public agency which referred the matter to the licensing agency for investigation. It shall contain a complete review of the agency's investigation, including but not limited to: the name of any facility investigated; a statement of the nature of the alleged abuse or neglect or other violation of the requirements of this section; pertinent information obtained from medical or other records reviewed; the investigator's name; a summary of the investigation's findings; a statement of whether the report was found to be substantiated, inconclusive, or false; and a statement of any action taken by the agency. The investigation memorandum shall be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, the identity of the alleged perpetrator or of those interviewed during the investigation. During the licensing agency's investigation, all data collected pursuant to this section shall be classified as investigative data pursuant to section 13.39. After the licensing agency's investigation is complete, the data on individuals collected and maintained shall be private data on individuals. All data collected pursuant to this section shall be made available to prosecuting authorities and law enforcement officials, local welfare agencies, and licensing agencies investigating the alleged abuse or neglect. ~~Notwithstanding any law to the contrary, the name of the reporter shall be disclosed only upon a finding by the court that the report was false and made in bad faith. The subject of the report may~~ compel disclosure of the name of the reporter only with the consent

of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Notwithstanding the provisions of section 138.163:

(1) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be false may be destroyed two years after the finding was made;

(2) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be inconclusive may be destroyed four years after the finding was made;

(3) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be substantiated may be destroyed seven years after the finding was made."

Delete the title and insert:

"A bill for an act relating to abuse and neglect reporting; providing a standard for the disclosure of a reporter's name under the child abuse reporting act and the vulnerable adults reporting act; amending Minnesota Statutes 1986, sections 626.556, subdivision 11; and 626.557, subdivision 12."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 291, A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring approval of certain insider agreements; regulating acquisitions by bank holding companies; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; regulating claims against liquidated institutions; providing for the organization of credit unions; regulating interest and dividends paid on deposits; regulating industrial loan and thrifts; providing for the submission of certain reports; requiring the periodic examination of collection agencies; regulating consumer deficiency judgments; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehi-

cle installment sales; regulating bank applications; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, by adding a subdivision; 47.205, subdivision 2; 48.055, subdivision 5; 48.15, subdivision 2; 48.51; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivisions 1 and 2; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivision 5; 53.09, subdivision 2; 55.095; 55.15; 59A.06, subdivision 3; 168.66, subdivisions 5 and 9; 168.705; 168.71; 168.72, subdivision 1; 168.73; 168.74; 332.29, subdivision 1; 325G.22, subdivision 1; repealing Minnesota Statutes 1986, sections 48.60 and 55.13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## “ARTICLE 1

### SUPERVISORY CLARIFICATION ACT

Section 1. Minnesota Statutes 1986, section 46.042, is amended to read:

#### 46.042 [NOTICE AND HEARING, WHEN NOT GIVEN.]

The commissioner of commerce may dispense with the notice and hearing provided for by section 46.041 if application is made for the incorporation of a new bank to take over the assets of one or more existing banks or if the application contemplates the reorganization of a national bank into a state bank in the same locality, or where the application is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities. This section does not increase the number of banks in the community affected.

Sec. 2. Minnesota Statutes 1986, section 46.07, subdivision 2, is amended to read:

#### 46.07 [RECORDS.]

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or

examiner of the federal reserve system, the federal deposit insurance corporation, the federal savings and loan insurance corporation, the national credit union administration, comptroller of the currency, a legally constituted state credit union share insurance corporation approved under section 52.24, the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10, or state and federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 3. Minnesota Statutes 1986, section 46.131, subdivision 9, is amended to read:

Subd. 9. These assessments or fees shall be paid by the institution examined within 20 days after a statement of the amount has been submitted to the institution examined by the commissioner of commerce and, if not so paid, shall bear interest at the discount rate charged member banks for borrowing from the Federal Reserve Bank of interest provided for by section 549.09. The penalty shall be payable to the commissioner on request.

Sec. 4. [46.15] [CERTAIN SECURITIES DEPOSITED WITH STATE TREASURER.]

All securities required or permitted by law to be assigned to and deposited with the commissioner of commerce for any purpose shall, after the effective date of this section, be assigned to and deposited with the state treasurer, who shall give a receipt therefor. This receipt must be filed with the commissioner of commerce, in lieu of the securities, and in this case neither the commissioner of commerce nor the commissioner's bonding agents shall be responsible for the safekeeping of these securities. The state treasurer shall perform all the duties with regard to the safekeeping of these securities which the commissioner of commerce is now required to perform. The state treasurer is subject to the same obligations and under the same liability, with reference to the safekeeping of these securities, as the commissioner of commerce. The state treasurer shall accept, release, surrender, and permit substitutions of securities assigned to and deposited with the state treasurer under the provisions of Laws 1923, chapter 155, upon order of the commissioner of commerce.



Sec. 5. Minnesota Statutes 1986, section 47.10, subdivision 3, is amended to read:

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or building and loan association may acquire property and improvements of any nature for its place of business by lease agreement if the lessor has an existing direct or indirect interest in the management or ownership of the bank, trust company, savings bank, or building and loan association unless approved without prior written approval by the commissioner. This includes subsequent amendments and associated personal property leases leasehold improvements.

Sec. 6. Minnesota Statutes 1986, section 47.10, is amended by adding a subdivision to read:

Subd. 4. [APPROVAL OF CERTAIN INSIDER AGREEMENTS.] No bank, trust company, savings bank, or savings association may purchase or sell real property, personal property, improvements or equipment of a value of \$25,000 or more if the purchaser or seller other than the bank, trust company, savings bank, or savings association has an existing direct or indirect interest in the institution without prior written approval by the commissioner.

Sec. 7. Minnesota Statutes 1986, section 47.204, subdivision 1, is amended to read:

Subdivision 1. [NO USURY LIMITS.] Notwithstanding any law to the contrary, no limitation on the rate or amount of interest, discount points, finance charges or other charges shall apply to a loan, mortgage, credit sale or advance which would have been exempt from the laws of this state pursuant to Public Law Number 96-221, title V, part A, section 501, as amended as of June 2, 1981, but for section 47.203 and which is made in this state after June 2, 1981 and before August 1, 1987.

Sec. 8. Minnesota Statutes 1986, section 47.205, subdivision 2, is amended to read:

Subd. 2. [ASSIGNMENT OR SALE OF MORTGAGE LOANS.] If the servicing of mortgage loans financing one-to-four family owner occupied residences located in this state is sold or assigned to another person:

(1) the selling lender shall notify the mortgagor of the sale no less more than ten days after the actual date of transfer. The notification must include the name, address, and telephone number of the person who will assume responsibility for servicing and accept payments for the mortgage loan and the notification must also include a detailed written financial breakdown, including but not

limited to, interest rate, monthly payment amount, and current escrow balance;

(2) the purchasing lender shall issue corrected coupon or payment books, if used, and shall provide notification to the mortgagor within 20 days after the first payment to the purchasing lender is due, of the name, address, and telephone number of the person from whom the mortgagor can receive information regarding the servicing of the loan, and shall inform the mortgagor of any changes made regarding the mortgage escrow accounts or servicing requirements including, but not limited to, interest rate, monthly payment amount, and current escrow balance; and

(3) the purchasing lender shall respond within 15 business days to a written request for information from a mortgagor. A written response must include the telephone number of the company representative who can assist the mortgagor.

Sec. 9. Minnesota Statutes 1986, section 47.205, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] If a lender fails to comply with the requirements of subdivisions 2 and 3, the lender is liable to the mortgagor for \$500 per occurrence, in addition to actual damages caused by the violation. In addition, the lender is liable to the mortgagor for \$500 per occurrence if the violation of subdivision 2 or 3 was due to the lender's failure to exercise reasonable care.

Sec. 10. [47.76] [TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.]

(a) No financial institution shall initiate a transfer of a deposit account to another deposit account bearing different identification information or which is subject to different terms without first obtaining the written consent of the deposit account holder.

(b) No financial institution shall initiate a close of a deposit account without first sending the deposit account holder by certified mail a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file with the financial institution at least 60 days before the financial institution closes the deposit account.

Sec. 11. Minnesota Statutes 1986, section 48.055, subdivision 5, is amended to read:

Subd. 5. Any preferred stock issued by a state bank shall be part of its capital stock structure, and the terms "capital stock" or "capital" in any laws of this state pertaining to state banks shall be deemed to also include and apply to preferred stock; ~~except that only~~

stock issued with or having succeeded to voting rights shall qualify a director under the provisions of section 48.06.

Sec. 12. Minnesota Statutes 1986, section 48.15, subdivision 2, is amended to read:

Subd. 2. The department of commerce may, by majority vote of its members, which shall include the affirmative vote of the commissioner of commerce, may authorize banks organized under the laws of this state to engage in any banking activity in which banks subject to the jurisdiction of the federal government may hereafter be authorized to engage by federal legislation, ruling, or regulation. The commission may not authorize state banks as defined by section 48.01, to engage in any banking activity prohibited by the laws of this state.

Sec. 13. Minnesota Statutes 1986, section 48.51, is amended to read:

#### 48.51 [DEMAND DEPOSITS DEFINED.]

For the purpose of this section and section 48.50, all deposits are payable on demand except:

(1) Those deposits which are evidenced by a negotiable or nonnegotiable instrument which provides on its face that the amount of the deposit is payable:

(a) on a certain date, specified in the instrument, not less than 14 days after the date of the deposit; or (b) at the expiration of a specified period not less than 14 days after the date of the instrument; or (c) upon written notice to be given not less than 14 days before the date of repayment.

(2) Those deposits which may not be withdrawn within 14 days of the making thereof.

(3) Those deposits which may not be withdrawn within 14 days of the giving of notice of an intended withdrawal.

(4) Those deposits in which the above 14-day minimums are in conflict with instruments authorized by the depository institutions deregulation committee's regulations authorized by title II, Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law Number 96-221 federal law or regulations.

Sec. 14. Minnesota Statutes 1986, section 48.61, subdivision 3, is amended to read:

Subd. 3. The bank or trust company may invest not to exceed ten percent of its capital and surplus in shares of stock in any banks or bank holding companies wherein the ownership of stock in the banks or bank holding companies is restricted to bank holding companies or banks authorized to do business in the state of Minnesota.

Sec. 15. Minnesota Statutes 1986, section 48.61, subdivision 5, is amended to read:

Subd. 5. In the absence of an express provision to the contrary, whenever any statute, rule, charter, trust indenture, authorizing resolution, or other instrument governing the investment of funds of a banking institution, as defined in section 48.01, subdivision 2, directs, requires, authorizes, or permits direct investment in certain obligations of the United States or obligations, the payment of the principal of and interest on which is unconditionally guaranteed by the United States, investment in these obligations may be made either directly or in the form of securities of, or other interests in, an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose investments are limited to these obligations and repurchase agreements fully collateralized by these obligations, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks.

Investment company shares authorized pursuant to this subdivision shall Shares of investment companies whose portfolios contain investments which are subject to limits under other state law or rule as direct investments may only be held in an amount not exceed in excess of 20 percent of the banks' capital stock and paid in surplus in each such investment company. These obligations shall be carried at the lower of cost or market on the banks' books and adjusted to market on a quarterly basis.

Sec. 16. Minnesota Statutes 1986, section 48.92, subdivision 10, is amended to read:

Subd. 10. [EQUITY CAPITAL.] "Equity capital" means the sum of common stock, preferred stock, and paid in surplus, reserves for loss loans and undivided profits.

Sec. 17. Minnesota Statutes 1986, section 48.97, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT; REPORTING REQUIREMENTS.] Each financial institution located in this state owned by an interstate bank holding company shall fully and accurately disclose in an annual report to the commissioner of commerce for each calendar

year the dollar value and volume of loans by zip code or census tract beginning with the year ending December 31, 1987, approved in the previous year in nonreal estate commercial and farm lending categories established by the commissioner. Lending categories must be delineated in sufficient detail to evaluate the lender's loan performance. Loan categories may include: demand or accrual notes, installment loans, equipment loans, inventory or accounts receivable loans, small business administration loans, and FmHA guaranteed loans. Housing loans must be disclosed statewide in the same manner and form as required by the Federal Home Mortgage Disclosure Act. The annual report must also disclose by zip code or census tract the dollar value and volume of deposits received during the previous year. The annual report must also disclose information by the categories required in section 48.991 demonstrating that developmental loans of a sufficient quantity are being made. The report must be accompanied by a copy of the most recent disclosures required under the Federal Community Reinvestment Act and the most recent Quarterly Statement of Income and Conditions.

Sec. 18. Minnesota Statutes 1986, section 48.98, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC INFORMATION.] Notwithstanding the Minnesota government data practices act, chapter 13, and consistent with federal law, the commissioner shall make available to the public at reasonable cost copies of all applications, including supporting documents and any other information required to be submitted to the commissioner.

Sec. 19. Minnesota Statutes 1986, section 48.99, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION CRITERIA FOR APPROVAL.] Pursuant to the present requirement of the United States Code, title 12, section 1842(d) and notwithstanding any other provision of state law, a reciprocating state any bank holding company, or any subsidiary of the a bank holding company, may acquire a bank located in this state where the commissioner has determined that a merger, consolidation, or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a bank or is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities and does not increase the number of banks in the community affected. The acquisition is subject to the prior written approval of the commissioner of an application submitted under this section and after the following considerations:

- (1) the financial and managerial resources of the applicant;

(2) the future prospects of the applicant and the state bank or its subsidiary whose assets, interest in, or shares it will acquire;

(3) the financial history of the applicant;

(4) whether the acquisition or holding may result in undue concentration of resources or substantial lessening of competition in this state;

(5) the convenience and needs of the public of this state; and

(6) whether the acquisition or holding will strengthen the financial condition of the state bank.

Sec. 20. Minnesota Statutes 1986, section 49.04, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER TAKING POSSESSION; GROUNDS FOR; RIGHTS OF THIRD PARTIES.] When it shall appear to the commissioner that any financial institution has violated its charter, or any law of the state, or is conducting its business in an unsafe or unauthorized manner, or that its capital is impaired, or if it or any of its controlling officers shall refuse to submit its books, papers, and concerns to the inspection of the commissioner, or any duly authorized assistant, or if any of its officers shall refuse to be examined upon oath touching its concerns, or if it shall suspend payment of its obligations, or furnish reason for the commissioner concluding that it is in an unsound or unsafe condition to transact the business for which it was organized, or that it is unsafe and inexpedient for it to continue business, or if it shall neglect or refuse to observe a proper order of the commissioner, the commissioner may forthwith take possession of its property and business including forfeiture of its certificate of authorization and retain this possession until it shall resume business or its affairs be finally liquidated, as herein provided. On taking possession of the property and business of any such financial institution, the commissioner shall forthwith give notice of that fact to any and all financial institutions or other corporations, associations, partnerships, and individuals holding, or in possession of, any of its assets. No financial institution or other corporation, association, partnership, or individual knowing of such taking possession by the commissioner, or notified, as aforesaid, shall have a lien or charge for any payment, advance, or clearance thereafter made, or liability thereafter incurred against any of the assets of the financial institution of whose property and business the commissioner shall have taken possession, as aforesaid. The financial institution may, with the consent of the commissioner, resume business upon such conditions as may be approved by the commissioner. Upon taking possession of the property and business of the financial institution, the commissioner is authorized to collect moneys due to it and to do such other acts as are necessary to conserve its assets and business, and shall

proceed to liquidate the affairs thereof, if in the commissioner's opinion it cannot safely resume business, as hereinafter provided.

Sec. 21. Minnesota Statutes 1986, section 49.05, is amended by adding a subdivision to read:

Subd. 7. [COMMISSIONER MAY BORROW MONEY.] With respect to a banking institution which is or may be closed on account of inability to meet the demands of its depositors or by action of the commissioner or of a court or by action of its directors, or, in the event of its insolvency or suspension, the commissioner may borrow from the Federal Deposit Insurance Corporation and furnish any part or all of the assets of the institution to the corporation as security for a loan from same. The order of a court of record of competent jurisdiction shall be first obtained approving this loan. The commissioner or receiver or liquidator appointed by the commissioner upon the order of a court of record of competent jurisdiction may sell to the corporation any part or all of the assets of the institution.

The provisions of this section shall not be construed to limit the power of any banking institution, or the commissioner, to pledge or sell assets in accordance with any other law of this state.

Sec. 22. Minnesota Statutes 1986, section 49.24, subdivision 5, is amended to read:

Subd. 5. [REJECTION OF CLAIMS; ACTIONS; LIMITATIONS.] If the commissioner doubts the justice or validity of any claim, the commissioner may reject the same in whole or in part and serve notice of such rejection upon the claimant, either by mail or personally. An affidavit of the service of such notice made according to law shall be filed with the commissioner. An action upon a claim so rejected must be brought within 60 days after such service and the filing of proof thereof. The venue of such action shall be in the county in which such financial institution had its principal place of business prior to liquidation, and such action shall be brought jointly against the financial institution and the commissioner or receiver or liquidator appointed by the commissioner as statutory liquidator thereof. Any person having a claim against such financial institution which is not presented and filed within the time fixed in the notice to creditors may thereafter present the same and the commissioner shall allow or reject the same in whole or in part and give notice of any rejection, as hereinbefore provided. Suit on any such claim not filed within the time fixed by the notice which is rejected must be brought within 30 days after the service and filing of proof of such rejection. Any claim not filed within the time fixed in the notice to creditors but later received and filed as by this section provided and duly allowed, shall participate and share in such dividends only as shall be paid from the proceeds of those assets remaining undistributed at the time of filing of such claim, and any claim not

filed prior to the declaration of a final dividend shall be barred. No action shall be commenced against any such financial institution after possession of the business and property thereof has been taken by the commissioner on any claim until such claim has been filed with and rejected, in whole or in part, by the commissioner. As to any action pending at the time the commissioner takes possession of the business and property of such financial institution which has been stayed by order of the court, a claim may be filed for the subject matter of said action. If the claim be allowed, the action shall terminate and be dismissed without costs and disbursements, but, if rejected in whole or in part, the stay order shall be vacated, and the action may continue. No interest shall be allowed or paid on any deposit or other claim from and after the closing of the financial institution and the taking over of the same by the commissioner for purposes of liquidation.

Sec. 23. Minnesota Statutes 1986, section 51A.58, is amended to read:

#### 51A.58 [INTERSTATE BRANCHING.]

An association may, by acquisition, merger, or consolidation, establish or operate branch offices in any reciprocating state, and a savings and loan association chartered in the any reciprocating state may establish branch offices in this state. A savings and loan holding company with its headquarters in this state may acquire by "direct or indirect ownership or control of voting shares of" a savings and loan association or savings bank located in any reciprocating state. For the purposes of this section, "reciprocating state" is: (1) a state that authorizes the establishment of branch offices in that state by an association located in this state, the acquisition of savings and loan associations and savings banks located in that state by a savings and loan holding company with its headquarters in this state, under conditions no more restrictive than those imposed by the laws of Minnesota as determined by the commissioner of commerce; and (2) limited to the states specifically enumerated as reciprocating states in section 48.92, subdivision 7.

The commissioner of commerce shall adopt rules to provide that procedural requirements equivalent to those contained in sections 48.90 to 48.991 apply to reciprocal interstate branching and acquisitions by savings and loan associations.

Sec. 24. Minnesota Statutes 1986, section 52.01, is amended to read:

#### 52.01 [ORGANIZATION.]

Any seven residents of the state may apply to the commissioner of commerce for permission to organize a credit union.



A credit union is a cooperative society, incorporated for the two-fold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes.

A credit union is organized in the following manner:

(1) The applicants execute, in duplicate, a certificate of organization by the terms of which they agree to be bound, which shall state:

- (a) the name and location of the proposed credit union;
- (b) the names and addresses of the subscribers to the certificate and the number of shares subscribed by each;

(2) The applicants submit the following in the form prescribed by the commissioner of commerce:

- (a) a statement of the common bond of the proposed credit union;
- (b) the number of potential members;
- (c) the geographic dispersion of the potential members;
- (d) evidence of interest, including willingness of potential members to assume responsibility for leadership and service;
- (e) a two-year forecast of probable levels of assets, shares and deposits, and income and expense;
- (f) the availability of other credit union services to the potential members;
- (g) other information the commissioner requires;

(3) They next prepare and adopt bylaws for the general governance of the credit union consistent with the provisions of this chapter, and execute them in duplicate;

(4) The certificate and the bylaws, both executed in duplicate, are forwarded to the commissioner of commerce with a \$100 application fee;

(5) The commissioner of commerce shall, within 60 days of the receipt of the certificate, the information required by paragraph (2), and the bylaws, and a commitment for insurance of accounts as required by section 52-24, subdivision 2, determine whether they comply with the provisions of this chapter, and whether or not the organization of the credit union in question would benefit its

members, be economically feasible, and be consistent with the purposes of this chapter;

(6) Thereupon the commissioner of commerce shall notify the applicants of the decision. If it is favorable, the commissioner shall upon receipt of a commitment for insurance of accounts as required by section 52.24, subdivision 2, issue a certificate of approval, attached to the duplicate certificate of organization, and return them with the duplicate bylaws to the applicants. If it is unfavorable, the applicants may, within 60 days after the decision, appeal for a review in a court of competent jurisdiction;

(7) The applicants shall thereupon file the duplicate of the certificate of organization, with the certificate of approval attached thereto, with the secretary of state, who shall make a record of the certificate and return it, with a certificate of record attached thereto, to the commissioner of commerce for permanent records; and

(8) Thereupon the applicants shall be a credit union incorporated in accordance with the provisions of this chapter.

In order to simplify the organization of credit unions, the commissioner of commerce shall prepare approved forms of certificate of organization and bylaws, consistent with this chapter, which may be used by credit union incorporators for their guidance, and on written application of seven residents of the state, shall supply them without charge with a blank certificate of organization and a copy of the form of suggested bylaws.

Sec. 25. Minnesota Statutes 1986, section 52.02, subdivision 3, is amended to read:

Subd. 3. [APPROVAL.] Amendments to the certificate of organization or bylaws must be approved by the commissioner of commerce before they become operative. The commissioner shall not unreasonably withhold approval if the amendments do not violate any provision of this chapter or other state law. In any event, the commissioner shall approve or disapprove the proposed amendment within 60 days of the date the proposed amendment is submitted to the commissioner by the credit union. In case of disapproval the credit union shall have the right to appeal to a court of competent jurisdiction within the time limits stated in section 52.01, clause (5) (6). In case any amendment to the certificate of organization is adopted, the resolution, containing a full text of the amendment and verified by its president or treasurer and approved by the commissioner of commerce, shall be recorded in the office of the secretary of state.

Sec. 26. Minnesota Statutes 1986, section 52.09, subdivision 2, is amended to read:

Subd. 2. [PARTICULAR DUTIES.] The directors shall manage the affairs of the credit union and shall:

(1) act on applications for membership. This power may be delegated to a membership chair who serves at the pleasure of the board of directors and is subject to its rules. An application must contain a certification signed by the membership chair or a member of the board showing the basis of membership;

(2) determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semiannual or annual basis, and may be paid on all deposits whether or not the deposits have been withdrawn during the interest period. Interest may be computed on a daily basis. At the discretion of the board of directors, interest need not be paid on deposit accounts of less than \$10;

(3) fix the amount of the surety bond required of all officers and employees handling money;

(4) declare dividends and transmit to the members recommended amendments to the bylaws;

(5) fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) limit the number of shares and deposits which may be owned by a member, not to exceed ten percent of the outstanding shares and deposits, or \$2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota corporate credit union, or to credit unions insured by the National Credit Union Administration;

(7) have charge of investments including loans to members, unless a credit committee is established pursuant to section 52.08 or paragraph (13) of this subdivision;

(8) fix the salaries of the treasurer and other employees, which must be on a fixed monthly or annual basis, in dollars (not percentage);

(9) designate the depository institution in which the funds of the credit union will be deposited;

(10) authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of commerce, suspend any member of the credit committee or supervisory committee if it deems this action necessary to the proper conduct of the credit union, and call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members;

(12) provide financial assistance to the supervisory committee in carrying out its audit responsibilities;

(13) if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, appoint a credit manager or a credit committee of not less than three members; and

(14) to establish different classes of shares.

Sec. 27. Minnesota Statutes 1986, section 52.18, is amended to read:

#### 52.18 [DIVIDENDS.]

The directors of a credit union may, on a daily, monthly, quarterly, semiannual, or annual basis as its board of directors may determine, declare and pay a dividend from net earnings or accumulated net undivided profits remaining after statutory reserve has been set aside, which dividend may be paid on all shares whether or not they have been withdrawn during the dividend period. Dividends may be computed on a daily basis. The board of directors may classify its share accounts according to character, amount and duration and declare dividends which may be at variable rates with due regard to the conditions that pertain to each class of shares, or pay no dividend at all. A dividend shall be uniform within a classification. ~~At the discretion of the board of directors dividends may not be declared or paid on share accounts of less than \$10.~~ Shares which become fully paid up during a dividend period shall be entitled to a proportional part of the dividend calculated from the first day of the month following the payment in full. For the purpose of this section, shares which become fully paid up by the fifteenth day of any month may be treated as being paid up from the first day of the month.

Sec. 28. Minnesota Statutes 1986, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of section 56.125 must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131,

subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56, regardless of the amount of the loan. The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. ~~If the proceeds of a loan made after August 1, 1987 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan must not exceed the rate provided in section 47.20, subdivision 4a.~~ If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage

loans from persons holding a certificate of authorization under this chapter.

Sec. 29. Minnesota Statutes 1986, section 53.04, subdivision 5, is amended to read:

Subd. 5. The right, with the consent of the department of commerce, to (1) sell and issue for investment certificates of indebtedness, under any descriptive name, which may bear interest, if any, as their terms provide, and which may require the payment to the company of amounts, from time to time as their terms provide, and permit the withdrawal of amounts paid on them, in whole or in part, from time to time, and the credit of amounts thereon upon conditions set forth therein; and (2) receive savings accounts or savings deposits. ~~No certificate of indebtedness shall have a surrender value which is less than the total amount paid to the company therefor.~~

Sec. 30. Minnesota Statutes 1986, section 53.09, subdivision 2, is amended to read:

Subd. 2. [REPORT TO COMMISSIONER.] (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner and published once, at the expense of the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of commerce.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(2) (3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 31. Minnesota Statutes 1986, section 55.15, is amended to read:

#### 55.15 [APPLICATION.]

This chapter shall not be held or construed as limiting, restricting, or in any way affecting the operation or management of safe deposit boxes or vaults, or a safe deposit business, by any savings bank, bank, or trust company. If any bank, savings bank, or trust company elects to transact the business of a safe deposit company under the

provisions of this chapter, it shall so notify the commissioner of commerce and thereafter the provisions of sections 55.02 and 55.10 to ~~55.13~~ 55.12 shall apply to such safe deposit business and said bank, savings bank, or trust company shall have the benefit thereof. The provisions of sections 55.03 to 55.09 and the provisions of section 55.095 shall not apply to a bank, savings bank, or trust company carrying on the business of a safe deposit company.

Sec. 32. Minnesota Statutes 1986, section 56.12, is amended to read:

**56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]**

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed. ~~The rate of interest charged on such a loan made after August 1, 1987, shall not exceed the rate provided in section 47.20, subdivision 4a.~~

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing

borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail.

Sec. 33. Minnesota Statutes 1986, section 325G.36, is amended to read:

### 325G.36 [WAIVERS VOID.]

Subdivision 1. Any provision of a consumer contract which waives or attempts to waive any provision of sections 325G.29 to 325G.36 is void.



Subd. 2. Any provision of a consumer credit transaction contract which waives or attempts to waive any provision of section 325G.22 is void.

Subd. 3. Any provision of a contract which waives or attempts to waive a consumer's rights in a consumer credit transaction is void and renders the contract voidable at the option of the consumer.

Sec. 34. Minnesota Statutes 1986, section 332.29, subdivision 1, is amended to read:

Subdivision 1. The commissioner ~~may from time to time~~ shall examine the books and records of every licensee hereunder and of any person engaged in the business of debt prorating service as defined in section 332.13 at least once every 18 calendar months. The commissioner once during any calendar year, may require the submission of an audit prepared by a certified public accountant of the books and records of each licensee hereunder. If the licensee has, within one year previous to the commissioner's demand, had an audit prepared for some other purpose, this audit may be submitted to satisfy the requirement of this section. The commissioner may investigate any complaint concerning violations of sections 332.12 to 332.29 and may require the attendance and sworn testimony of witnesses and the production of documents.

Sec. 35. Minnesota Statutes 1986, section 336.9-501, is amended to read:

**336.9-501 [DEFAULT; PROCEDURE WHEN SECURITY AGREEMENT COVERS BOTH REAL AND PERSONAL PROPERTY.]**

(1) When a debtor is in default under a security agreement, a secured party has the rights and remedies provided in this part and except as limited by subsection (3) those provided in the security agreement. The secured party may reduce a claim to judgment, foreclose, or otherwise enforce the security interest by any available judicial procedure. If the collateral is documents the secured party may proceed either as to the documents or as to the goods covered thereby. A secured party in possession has the rights, remedies, and duties provided in section 336.9-207. The rights and remedies referred to in this subsection are cumulative.

(2) After default, the debtor has the rights and remedies provided in this part, those provided in the security agreement, and those provided in section 336.9-207.

(3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (3) of

section 336.9-504 and section 336.9-505) and with respect to redemption of collateral (section 336.9-506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:

(a) Subsection (2) of section 336.9-502 and subsection (2) of section 336.9-504 insofar as they require accounting for surplus proceeds of collateral;

(b) Subsection (3) of section 336.9-504 and subsection (1) of section 336.9-505 which deal with disposition of collateral;

(c) Subsection (2) of section 336.9-505 which deals with acceptance of collateral as discharge of obligation;

(d) Section 336.9-506 which deals with redemption of collateral; and

(e) Subsection (1) of section 336.9-507 which deals with the secured party's liability for failure to comply with this part.

(4) If the security agreement covers both real and personal property, the secured party may proceed under this part as to the personal property or may proceed as to both the real and the personal property in accordance with the secured party's rights and remedies in respect of the real property in which case the provisions of this part do not apply.

(5) When a secured party has reduced a claim to judgment the lien of any levy which may be made upon collateral by virtue of any execution based upon the judgment shall relate back to the date of the perfection of the security interest in such collateral. A judicial sale, pursuant to such execution, is a foreclosure of the security interest by judicial procedure within the meaning of this section, and the secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(6) A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than \$5,000 unless: a mediation notice under subsection (7) is served on the debtor and a copy filed with the director; and the debtor and creditor have completed mediation under sections 583.20 to 583.32.

(7) A mediation notice under subsection (6) must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Debtor)....

YOU HAVE DEFAULTED ON THE ....(Debt in Default).... SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS ....(Reasonable Description of Agricultural Property Collateral)....

AS A SECURED PARTY, ....(Name of Secured Party).... INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A CREDIT ANALYST TO HELP YOU TO PREPARE FINANCIAL INFORMATION. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR ....(Date of 14 Days after Service of the Mediation Notice).... THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Secured Party)...."

(8) Any provision of a security agreement which waives or attempts to waive a debtor's rights established under this chapter or other law is void and renders the security agreement voidable at the option of the debtor. Any secured party which is a party to a security agreement which contains such a provision shall be subject to the liabilities set forth in section 336.9-507.

Sec. 36. [REPEALER.]

Minnesota Statutes 1986, sections 48.60 and 55.13, are repealed.

Sec. 37. [EFFECTIVE DATE.]

Section 23 is effective the day following final enactment.

## ARTICLE 2

### REGULATORY REDUCTION ACT

Section 1. Minnesota Statutes 1986, section 55.095, is amended to read:

## 55.095 [DUTIES OF COMMISSIONER OF COMMERCE.]

Every safe deposit company is at all times under the supervision and subject to the control of the commissioner of commerce. The ~~commissioner's examiners shall visit at least once each year~~ each commissioner may at any time examine a licensed safe deposit company ~~licensed by the commissioner~~ to ascertain whether the safe deposit company is complying with the provisions of this chapter and whether its methods and systems are in accordance with law and designed to protect the property of persons doing business with it. For each examination the commissioner shall charge the actual expenses of examination. If the commissioner of commerce determines that the safe deposit company is violating the provisions of this chapter, any law of the state, or has engaged or the commissioner has reason to believe that a licensee is about to engage in an unlawful, unsafe, or unsound practice in the conduct of its business, the commissioner may proceed pursuant to sections 46.24 to 46.33 or serve notice on the safe deposit company of intention to revoke the license, stating in general the grounds therefor and giving reasonable opportunity to be heard. If for a period of 15 days after the notice, the violation continues, the commissioner of commerce may revoke the license and take possession of the business and property of the safe deposit company and maintain possession until the time the commissioner permits it to continue business, or its affairs are finally liquidated. The liquidation must proceed pursuant to sections 49.04 to 49.32.

Sec. 2. Minnesota Statutes 1986, section 59A.06, subdivision 3, is amended to read:

Subd. 3. The commissioner ~~shall~~ may at any time make an examination of the affairs, business, office and records of each licensee at least once each year. Each licensee shall pay to the commissioner the actual costs of examination as well as amounts required under section 46.131, and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Sec. 3. Minnesota Statutes 1986, section 168.66, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any device propelled or drawn by any power other than muscular power, in, upon, or by which any person or property is, or may be transported or drawn upon a highway, excepting building and road construction equipment not subject to motor vehicle registration fees, snowmobiles, three-wheel off-road vehicles, boat, snowmobile, and other utility trailers, farm tractors, and agricultural machinery not designed primarily for highway transportation, but which may incidentally transport persons or property on a public highway, or any other device which may not be lawfully operated upon a highway at the time of sale.

Sec. 4. Minnesota Statutes 1986, section 168.66, subdivision 9, is amended to read:

Subd. 9. "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. The cash price may not include a documentary fee or document administration fee in excess of \$25 for services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale.

Sec. 5. Minnesota Statutes 1986, section 168.705, is amended to read:

168.705 [EXAMINATIONS, SPECIAL INVESTIGATIONS, COSTS.]

For the purpose of discovering violations of sections 168.66 to 168.77 or securing information lawfully required by the administrator hereunder, the administrator may, at any time, either personally or by a person or persons duly designated by the administrator, investigate the conditional sales contracts and business related to the conditional sales contracts and examine the books, accounts, records, and files used therein, of every licensee and of every person who shall be engaged in the business of a sales finance company, whether the person shall act as principal or agent, or under or without the authority of sections 168.66 to 168.77. For that purpose, the administrator and the administrator's duly designated representative shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons. The administrator and all persons duly designated by the administrator shall have authority to require the attendance of and to examine, under oath, all persons whomsoever whose testimony the administrator may require relative to the conditional sales contract or the business or to the subject matter of any examination, investigation, or hearing.

The administrator shall may make an examination of the affairs, business, office, and records of each licensee at least once every two calendar years. Each licensee shall pay to the administrator an amount as may be required under section 46.131, and the administrator licensees as often as considered necessary. The commissioner may assess a fee covering the necessary costs of an examination or special investigation under this section, section 168.69, or reports filed under section 168.706. The fee is payable to the commissioner

on the commissioner's request for payment. The commissioner may maintain an action for the recovery of the costs in any court of competent jurisdiction.

Sec. 6. Minnesota Statutes 1986, section 168.71, is amended to read:

168.71 [RETAIL INSTALLMENT CONTRACTS.]

(a) (1) Every retail installment contract shall be in writing, shall contain all the agreements of the parties, shall be signed by the retail buyer and seller, and a copy thereof shall be furnished to such retail buyer at the time of the execution of the contract.

(2) No provisions for confession of judgment or power of attorney therefor contained in any retail installment contract or contained in a separate agreement relating thereto, shall be valid or enforceable.

(3) The holder of a precomputed retail installment contract may, if the contract so provides, collect a delinquency and collection charge on each installment in arrears for a period not less than ten days in an amount not in excess of five percent of each installment or \$5, whichever is the less. In addition to such delinquency and collection charge, the retail installment contract, whether interest-bearing or precomputed, may provide for the payment of attorneys' fees not exceeding 15 percent of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection plus the court costs.

(4) Unless written notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(5) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(b) The retail installment contract shall contain the following items:

(1) The cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) The amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) The difference between items one and two;

(4) The charge, if any, included in the transaction for any insurance and other benefits, specifying the types of coverage and benefits taxes, fees, and charges that actually are or will be paid to public officials or government agencies for perfecting, releasing, or satisfying a security interest;

(5) Principal balance, which is the sum of item three and item four;

(6) The amount of the time price differential; The disclosures required by the federal Truth-in-Lending Act

(7) The time balance payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages; and date of each payment necessary finally to pay the time balance which is the sum of item five and item six.

Provided, however, that said items one to seven inclusive need not be stated in the sequence or order set forth above and that additional items may be included which serve to explain the calculations involved in determining the stated time balance to be paid by the retail buyer.

(c) Every retail seller or sales finance company, if a charge for insurance on the motor vehicle is included in a retail installment contract shall within 30 days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of the buyer's own selection and selecting an insurance company mutually acceptable to the seller and the buyer; provided, however, that the inclusion of the cost of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller.

(d) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be mutually agreed upon between them.

(e) An acknowledgment by the retail buyer of the delivery of any such copy or notice as required in subsection (a) of this section contained in the body of the statement or contract shall be conclu-

sive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

Sec. 7. Minnesota Statutes 1986, section 168.72, subdivision 1, is amended to read:

Subdivision 1. (a) The time price differential authorized by sections 168.66 to 168.77 in a retail installment sale may not exceed the following simple interest annual percentage rates:

Class 1. Any motor vehicle designated by the manufacturer by a year model of the same or not more than one year prior to the year in which the sale is made - \$10 per \$100 18 percent per year.

Class 2. Any motor vehicle designated by the manufacturer by a year model of two or three years prior to the year in which the sale is made - \$11 per \$100 19.75 percent per year.

Class 3. Any motor vehicle not in Class 1 or Class 2 - \$13 per \$100 23.25 percent per year plus a flat charge of \$3 for each retail installment sale.

(b) The time price differential must be computed on the principal balance outstanding from time to time as originally determined under section 168.71, clause (b) and must be computed at the rate indicated on contracts payable in successive monthly installment payments substantially equal in amount extending for a period of one year. For purposes of this subdivision and section 168.73, contracts payable in successive monthly installment payments include those where the first installment is scheduled for not less than 15 days nor more than one month and 15 days from the date of the contract. On contracts providing for installment payments extending for a period less than or greater than one year, the time price differential must be computed proportionately.

(c) When a retail installment contract provides for unequal or irregular installment payments, the time price differential is at the effective rate provided in clause (a) hereof, having due regard for the irregular schedule of payment. Retail installment contracts may be interest-bearing or precomputed. For precomputed retail installment contracts, the time price differential may be calculated in advance on the assumption that all scheduled payments will be made when due. The effect of prepayment in full is governed by section 168.73. To compute time for the purpose of calculating interest under this section and section 168.73, a day may be considered  $\frac{1}{30}$  of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same-numbered date, to the last day of the following month. When a period of time



includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

(d) (c) The time price differential is inclusive of all charges incident to investigating and making the contract, and for the extension of the credit provided for in the contract and no fee, commission, expense or other charge whatsoever may be taken, received, reserved or contracted for except as provided in sections 168.66 to 168.77.

Sec. 8. Minnesota Statutes 1986, section 168.72, subdivision 4, is amended to read:

Subd. 4. A sale of a manufactured home made after July 31, 1983, is governed by the provisions of subdivision 1 for purposes of determining the lawful time price differential rate, except that the maximum time differential for a class I manufactured home may not exceed \$8 per \$100 18 percent per year. A retail installment sale of a manufactured home that imposes a time price differential rate that is greater than the rate permitted by this subdivision is lawful and enforceable in accordance with its terms until the indebtedness is fully satisfied if the rate was lawful when the sale was made.

Sec. 9. Minnesota Statutes 1986, section 168.73, is amended to read:

168.73 [PREPAYMENT IN FULL, REFUND CREDITS, ALLOWANCE.]

Notwithstanding the provisions of any retail installment contract to the contrary, any retail buyer may pay in full at any time before maturity the debt of any retail installment contract and without penalty. In so paying such debt the retail buyer shall receive a refund credit thereon for such anticipation of payments. The amount of such refund shall represent at least as great a proportion of the original time price differential after first deducting from such time price differential an acquisition cost of \$15, as the sum of the periodic time balances calculated according to the actuarial method and after the month in which date prepayment is made, bears to the sum of all the periodic time balances under the schedule of payments in the original contract.

Where the amount of the credit for anticipation of payment is less than \$1, no refund need be made.

The actuarial method means the method of allocating payments on a contract between the principal amount and time price differential whereby a payment is applied first to the accumulated time price differential and then to the unpaid principal balance based on the original payment schedule.

Sec. 10. Minnesota Statutes 1986, section 168.74, is amended to read:

168.74 [EXTENSION OF SCHEDULES, PAYMENTS.]

The holder of a precomputed retail installment contract, may, upon written agreement with the retail buyer, extend the schedules scheduled due date, or defer the schedules scheduled payment of all or part of any installment payment or payments, or renew the balance of such contract. In any such case the holder may restate the amount of the installments and the time schedule therefor, and collect as a refinance charge for such extension, deferment or renewal, a flat service fee not to exceed \$5 and a total additional charge not exceeding an amount equal to one percent per month the simple interest annual percentage rate under the original retail installment contract calculated on the respective descending balances computed from the date of such extension, deferment or renewal.

Sec. 11. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 5 of this article are effective July 1, 1987.  
Sections 4, 6, 7, 8, 9, and 10 are effective January 1, 1988.

ARTICLE 3

APPLICATION PARITY ACT

Section 1. Minnesota Statutes 1986, section 46.041, is amended to read:

46.041 [BANK APPLICATIONS.]

Subdivision 1. [FILING; FEE; ~~HEARING~~ PUBLIC INSPECTION.] The incorporators of a bank proposed to be organized under the laws of this state shall execute and acknowledge a written application in the form prescribed by the commissioner of commerce. The application must be signed by two or more of the incorporators and request a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. The applicant shall file the application with the department with a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. ~~Thereupon the applicant shall within 30 days of the receipt of the form prescribed by the commissioner, publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall be in the~~

form prescribed by the commissioner and, in addition to the publication, the applicant shall mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties. The application file must be public, with the exception of financial data on individuals which is private under the Minnesota government data practices act.

Subd. 2. [UNCONTESTED NOTICE OF FILING APPLICATION APPROVAL ORDER; PUBLICATION.] If no objection is received by the commissioner within 21 days after the publication and mailing of the notices, the commissioner may issue an order approving the application without a hearing if it is found that the applicant meets the conditions in section 46.044. Otherwise the commissioner must deny the application. Upon notice of acceptance of an application as complete in all respects for filing, the applicant shall within 30 days of the receipt of the form prescribed by the commissioner, publish a notice of the filing of the application, in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be in the form prescribed by the commissioner and, in addition to the publication, the applicant shall mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the bank.

Subd. 3. [OBJECTIONS; COMMENTS, REQUESTS FOR HEARING.] If the application is contested, the commissioner shall fix a time, within 60 days after the filing of the objection for a hearing, and the record of the hearing shall be considered by the commissioner in deciding whether or not the application shall be granted. A notice of the hearing must be published in the form prescribed by the commissioner in some newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and such witnesses as may appear in favor of or against the granting of the application of the proposed bank. The hearing shall be conducted by the commissioner in accordance with the provisions of sections 14.01 to 14.70. Within 21 days after the notice of application has been published, any person may submit to the commissioner either or both written comments on an application and a written request for a hearing on the application. The request must state the nature of the issues or facts to be presented and the reasons why written submissions would

be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Subd. 5. [APPROVAL, DISAPPROVAL, AFTER HEARING.] If, upon the hearing or upon other information submitted, it appears to the commissioner that the application should be granted, the commissioner shall, not later than 90 days after the hearing, and after the applicants have otherwise complied with the provisions of law applicable to the organization of a bank, including the provisions herein contained, make and file in the commissioner's office a written order directing the issuance of a certificate of authorization

as provided by law. If the certificate of authorization is not activated within a period of 12 months from date of issuance, the commissioner may upon written notice to the applicants request a new hearing. If the commissioner decides that the application should not be granted, the commissioner shall deny the application and make a written order to that effect, file it in the commissioner's office, and forthwith give notice thereof by certified mail to one of the incorporators named in the application for the proposed bank, addressed to the incorporator at the address stated in the application. Thereupon the commissioner shall refuse to issue the certificate of authorization to the proposed bank.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment and applies to pending applications at that time if any notice of the filing of the application has not been fully published.

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring approval of certain insider agreements; regulating acquisitions by bank holding companies; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; regulating bank or trust company investments; regulating claims against liquidated institutions; providing for the organization of credit unions; regulating interest and dividends paid on deposits; regulating industrial loan and thrifts; providing for the submission of certain reports; modifying the maximum allowable interest rate on certain loans used to satisfy the balances owed on contracts for deed; requiring the periodic examination of collection agencies; regulating consumer deficiency judgments; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehicle installment sales; regulating bank applications; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, subdivision 3, and by adding a subdivision; 47.204, subdivision 1; 47.205, subdivisions 2 and 4; 48.055, subdivision 5; 48.15, subdivision 2; 48.51; 48.61, subdivisions 3 and 5; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivision 1; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 51A.58; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivisions 3a and 5; 53.09, subdivision 2; 55.095; 55.15; 56.12; 59A.06, subdivision 3; 168.66, subdivisions 5 and 9; 168.705; 168.71; 168.72, subdivisions 1 and 4; 168.73; 168.74; 325G.36; 332.29, subdivision 1; and 336.9-501; proposing coding for new law in Minnesota Statutes, chapters 46 and 47; repealing Minnesota Statutes 1986, sections 48.60 and 55.13."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 298, A bill for an act relating to hazardous waste; requiring a license for the transportation of hazardous waste; providing for license administration suspension, and revocation; requiring rulemaking; providing penalties; specifying articles which may be carried as household goods; revising fees for certain motor carrier permits and certificates; amending Minnesota Statutes 1986, sections 221.011, subdivisions 23 and 31; 221.033, by adding a subdivision; 221.061; 221.121, subdivision 7, and by adding a subdivision; 221.131, subdivisions 2 and 3; 221.291, subdivision 3; 221.296, subdivision 5; and 221.60, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 3, delete everything before the period and insert "section 116.07, subdivision 4"

Page 2, line 8, delete "4 and 5" and insert "3 and 4"

Page 3, line 3, delete "decal is" and insert "decals are"

Page 3, line 6, after the period insert "The licensee must obtain new decals each year."

Page 3, line 9, delete "after notice and hearing"

Page 3, line 14, after "may" insert ", after notice and opportunity for hearing,"

Page 3, line 15, delete "4" and insert "3"

Page 3, delete lines 23 to 36 and insert:

"(1) the danger of exposing the public to toxic or hazardous substances;

(2) the condition of vehicles used by the licensee to transport hazardous waste;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations,

and the response of the person to the most recent violation identified; and

(4) other factors the commissioner considers relevant.

(b) The commissioner shall revoke by order, without a hearing, the license and vehicle identification decals of a licensee who fails to renew a license or fails to maintain insurance as required by this section. Revocation under this paragraph shall continue until the licensee renews the license and provides the commissioner with proof of insurance required under this section."

Page 4, before line 1, insert:

"Sec. 5. [221.037] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of section 2, of a material term or condition of a license issued under section 3, or of a rule or order of the commissioner relating to the transportation of hazardous waste. An order shall be issued as provided in this section.

Subd. 2. [ELECTION OF PENALTIES.] The commissioner shall not both assess an administrative penalty under this section and seek a criminal sanction under section 221.291, subdivision 3, for violations arising out of the same inspection or audit.

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations identified during a single inspection or audit.

(b) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

Subd. 4. [CONTENTS OF ORDER.] An order assessing an administrative penalty under this section shall include:

(1) a concise statement of the facts alleged to constitute a violation;

(2) a reference to the section of the statute, rule, order, or material term or condition of a license that has been violated;

(3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and

(4) a statement of the person's right to review of the order.

Subd. 5. [ORDER.] (a) The commissioner may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order was received.

(b) The person to whom the order was issued shall provide information to the commissioner before the 31st day after the order was received demonstrating that the violation has been corrected or that appropriate steps toward correcting the violation have been taken. The commissioner shall determine whether the violation has been corrected and notify the person subject to the order of the commissioner's determination.

Subd. 6. [PENALTY.] (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 7 or 8 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the receipt of a notice by the person subject to the order of the commissioner's determination under subdivision 5, paragraph (b), that information supplied to the commissioner is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.



(b) For a repeated or serious violation, the commissioner may issue a corrective order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 30 days after the order was received unless review of the order under subdivision 7 or 8 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the day after the penalty would otherwise be due and payable in the absence of a request for a hearing under subdivision 7 or 8.

Subd. 7. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after the date on which an order was received, or within 20 days after the receipt of a notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing. The person to whom the order is directed and the commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the commissioner unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under the conference contested case rules of the office of administrative hearings, as modified by this subdivision. The office of administrative hearings may, in consultation with the department, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations to the commissioner within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 3, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the department by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the commissioner may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person subject to the order may, within those five days, comment to the commissioner on the recommendations and the commissioner shall consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the commissioner, the penalty shall be paid by the 15th day after the final order was mailed, together with interest accruing at the rate established in section 549.09 from 31 days after the original order was received.

Subd. 8. [DISTRICT COURT HEARING.] Within 30 days after the receipt of an order, or within 20 days after the receipt of a notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to a corrective order under this section may file a petition in district court for review of the order. The petition shall be filed with the court administrator with proof of service on the commissioner. The petition shall be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order, including the facts upon which each claim is based. At trial the state must establish by a preponderance of the evidence the existence of the violation upon which the order was based.

Subd. 9. [ENFORCEMENT.] (a) The attorney general may proceed on behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other appropriate relief including monetary damages, attorney fees, costs, and interest.

Subd. 10. [REVOCATION AND SUSPENSION OF PERMIT.] If a person does not pay a penalty due and payable under this section, the department may revoke or refuse to reissue or renew a license issued by the department under section 3.

Subd. 11. [CUMULATIVE REMEDY.] The authority of the department to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law. The payment of a penalty does not preclude the use of other enforcement provisions in connection with the violation for which the penalty was assessed."

Page 6, line 31, delete everything before "be"

Page 7, lines 30 to 34, delete section 15

Renumber the sections in sequence

Amend the title as follows:

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 308, A bill for an act relating to crimes; including live performances in the statute regulating exposure of minors to sexually provocative material; amending Minnesota Statutes 1986, sections 617.291, subdivision 2; and 617.294.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 617.291, is amended to read:

Subdivision 1. In enacting sections 617.291 to 617.297 the legislature declares its purposes and intent to be as follows:

There exists an urgent need to prevent ~~commercial~~ exposure of minors to sexually provocative written, photographic, printed, sound or published materials or plays, dances, or other exhibitions presented before an audience as these are hereafter defined in sections 617.291 to 617.297 and which are hereby declared to be harmful to minors.

Subd. 2. It is in the best interest of the health, welfare and safety of the citizens of this state, and especially of minors within the state, that commercial dissemination or dissemination without monetary consideration in a place of public accommodation of such sexually provocative written, photographic, printed, sound or published materials or of plays, dances, or other exhibitions presented before an audience which are deemed harmful to minors, be restricted to persons over the age of 17 years; or, if available to minors under the age of 18 years, that the availability of such materials be restricted to sources within established and recognized schools, churches,

museums, medical clinics and physicians, hospitals, public libraries, or government sponsored organizations.

Sec. 2. Minnesota Statutes 1986, section 617.294, is amended to read:

**617.294 [COMMERCIAL EXHIBITION PROHIBITED.]**

It is unlawful for any person knowingly to exhibit for a monetary consideration to a minor or knowingly to sell to a minor an admission ticket or pass or knowingly to admit a minor, whether or not for a monetary consideration, to premises whereon a place of public accommodation where there is exhibited, a motion picture, show or other presentation or a play, dance, or other exhibition presented before an audience which, in whole or in part, depicts nudity, sexual conduct, or, sadomasochistic abuse and which is harmful to minors."

Amend the title as follows:

Page 1, line 5, delete " , subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 332, A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 1, line 13, after "for" insert "hazardous waste"

Page 1, delete lines 14 to 17 and insert "under section 115.061 or chapter 116, including a standard, rule, variance, order, stipulation agreement, or material terms or conditions of a permit issued or adopted by the agency"

Page 1, line 18, delete "chapters" and insert "provisions"

Page 2, delete lines 6 and 7 and insert:

“(3) the economic benefit gained by the person by allowing or committing the violation.”

Page 3, line 6, after the period insert “If the director determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven.”

Page 3, line 23, after “penalty” insert “that will not be forgiven”

Page 3, after line 31, insert:

“In addition to review under paragraph (a) or (b), the director is authorized to enter into mediation concerning any order issued under this section if the director and the person to whom the order is issued both agree to mediation.”

Page 3, line 35, after “hearing” insert “to review the order”

Page 4, delete lines 9 to 12

Page 4, line 13, delete “(v)” and insert “(iv)”

Page 4, line 15, delete “(vi)” and insert “(v)”

Page 4, line 18, delete “(vii)” and insert “(vi)”

Page 4, lines 21 and 22, delete “the director has committed an abuse of discretion in setting”

Page 4, line 22, after “penalty” insert “is unreasonable”

Page 4, line 23, delete “(viii)” and insert “(vii)”

Page 5, after line 3, insert:

“At trial the director must establish by a preponderance of the evidence that a violation subject to this section and for which the petitioner is responsible occurred, that the factors listed in subdivision 2 were considered when the penalty amount was determined, and that the penalty amount is justified by those factors. In addition, if the director immediately assesses a penalty as provided for under subdivision 4, paragraph (c), the director must establish by a preponderance of the evidence that the immediate imposition of the penalty was justified.”

Page 5, delete lines 32 to 36

Page 6, delete lines 1 to 23

Page 6, line 24, delete "(e)" and insert "(b)"

Page 6, line 29, delete "(f)" and insert "(c)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 373, A bill for an act relating to metropolitan water management; authorizing county ground water plans; requiring consistency of watershed and ground water plans; amending Minnesota Statutes 1986, sections 473.875; 473.876, by adding subdivisions; and 473.878, subdivisions 3, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 473.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 404, A bill for an act relating to railroads; requiring stop signs at railroad crossings; amending Minnesota Statutes 1986, sections 219.17; and 219.20.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.28, is amended to read:

169.28 [CERTAIN VEHICLES TO STOP AT RAILROADS.]

Subdivision 1. [STOP REQUIRED.] The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any vehicle carrying explosive substances or flammable liquids, or liquid gas under pressure as a cargo or part of a cargo, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than ten feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching train, and for

signals indicating the approach of a train, except as hereinafter provided, and shall not proceed until safe to do so.

No stop need be made at any crossing where a police officer or a traffic-control signal directs traffic to proceed.

No stop need be made at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.

This section shall not apply at street railway grade crossings within a business or residence district.

A school bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

Subd. 2. [EXEMPT CROSSINGS.] The commissioner may designate a crossing on a rail line on which service has been abandoned, or a crossing that the commissioner determines is used by a train fewer than five times a year and upon which the operating speed of the trains is ten miles per hour or less, as an exempt crossing. The commissioner shall direct the railroad to erect at the crossing signs conforming with section 169.06 and bearing the word "Exempt."

A train shall not proceed across an exempt crossing unless a police officer or a railroad employee is present to direct traffic.

A vehicle required under subdivision 1 to stop at grade crossings need not stop at a crossing marked as exempt unless directed otherwise by a police officer or a railroad employee.

The installation or presence of an exempt sign does not relieve a driver of the duty to use due care.

Sec. 2. Minnesota Statutes 1986, section 219.20, is amended to read:

#### 219.20 [STOP SIGNS.]

Subdivision 1. [WHEN INSTALLATION REQUIRED; PROCEDURE.] At each grade crossing where, because of the dangers attendant upon its use, the reasonable protection of life and property makes it necessary for persons approaching the crossing to stop before crossing the railroad tracks, stop signs must be installed. The commissioner may designate a crossing requiring this additional protection. When the government entity responsible for a road that

crosses a railroad track deems it necessary to install stop signs at that crossing, it shall petition the commissioner to order the installation of the stop signs. The commissioner shall respond to the petition by investigating the conditions at the crossing to determine the appropriate warning signs and devices to be installed at the crossing. On determining, after an investigation following a petition from a governmental agency or subdivision or on the commissioner's own motion, that stop signs should be installed at a crossing, the commissioner shall designate the crossing as a stop crossing and shall notify the railway company operating the railroad at the crossing of this designation. Within 30 days after notification, the railway company shall erect the uniform stop crossing signs in conspicuous places on each side of the crossing on the home crossing signs in accordance with the commissioner's order.

Subd. 2. [STOPPING DISTANCES.] When a stop sign has been erected at a railroad crossing, the driver of a vehicle approaching a railroad crossing shall stop within 50 feet, but not less than ten feet, from the nearest track of the crossing and shall proceed only upon exercising due care.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to railroads; providing for designation of exempt railroad grade crossings; requiring stop signs at railroad grade crossings; amending Minnesota Statutes 1986, sections 169.28; and 219.20."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 499, A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9;



repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

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

The report was adopted.

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

H. F. No. 514, A bill for an act relating to school districts; permitting school district employees to participate in the state insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [43A.315] [EMPLOYEES OF SCHOOL DISTRICTS.]

Subdivision 1. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) [COMMISSIONER.] "Commissioner" means the commissioner of the department of employee relations.

(b) [EMPLOYEE.] "Employee" means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, and is employed by an eligible employer; or (2) a person employed by another public educational employer approved by the commissioner of employee relations.

(c) [ELIGIBLE EMPLOYER.] "Eligible employer" means one of the following: a school district as defined in section 120.02; an educational cooperative service unit as defined in section 123.58; an intermediate district as defined in section 136C.02, subdivision 7; a cooperative center for vocational education as defined in section 123.351; a regional management information center as defined in section 121.935; or an education unit organized under the joint powers act, section 471.59.

(d) [EXCLUSIVE REPRESENTATIVE.] "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

Subd. 2. [SCHOOL EMPLOYEE PARTICIPATION.] Participation in the basic benefits plan offered according to subdivision 3 is subject to the conditions in this subdivision.

(a) Each exclusive representative for an eligible employer determines whether the employees it represents will participate. The exclusive representative shall give notice to the employer of its determination to participate in the hospital, medical, life, and dental package before the execution of a new collective bargaining agreement or by April 1 of an odd-numbered year, whichever occurs first. The employer and the exclusive representative may by mutual consent make a determination at a later date to participate during the annual enrollment period established by the commissioner. By April 1 of an odd-numbered year, the employer must determine whether its employees who are not represented by an exclusive representative will participate in the hospital, medical, life, and dental package. Either all or none of an employer's unrepresented employees must participate.

(b) The decision to participate is for a three-year term if coverage begins in an even-numbered year and a four-year term if coverage begins in an odd-numbered year. Participation is automatically renewed for an additional four-year term unless the exclusive representative, or the employer in the case of unrepresented employees, gives the commissioner notice of withdrawal.

(c) The exclusive representative shall give notice of intent to withdraw to the commissioner before execution of a new collective bargaining agreement to cover the date on which the term of participation expires, or April 1 of the year in which the term of participation expires, whichever is first. If there is no exclusive representative, the employer shall notify the commissioner by April 1 of the year in which participation expires. A group that withdraws shall wait two years before rejoining.

(d) Each participating employer shall notify the commissioner of the individuals who will be participating within two weeks of receiving notice of intent to participate and within two weeks of deciding that its unrepresented employees will participate. The employer shall also submit other information as required by the commissioner for administration of this plan.

Subd. 3. [BENEFITS.] By January 1, 1989, the commissioner of employee relations shall offer a basic benefits plan as provided to employees covered by section 43A.18, subdivision 2, or as modified by the commissioner, in consultation with a labor-management committee appointed by the commissioner. The plan shall include employee hospital, medical, dental, and life insurance for employees and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options, if they are available, cost effective, and capable of servicing a group of

this size, shall be provided. Plans with different deductible amounts may be offered. Participation in optional coverages provided by the plan may be determined by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the plan.

Subd. 4. [PREMIUMS.] Premiums, including an administration fee, shall be established by the commissioner of employee relations. Each eligible employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 5 to the commissioner on or before the dates established by the commissioner. Failure to pay may result in cancellation of the benefits. The proportions of premium paid by the employer and employee are subject to collective bargaining.

Subd. 5. [FRINGE BENEFIT FUND.] A school employee fringe benefit fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated cost of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall be credited to the fund.

Subd. 6. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or placed on unrequested leave may elect to continue the fringe benefit coverage. This coverage is at the expense of the employee unless otherwise provided by a collective bargaining agreement. Coverage continues until one of the following occurs: (1) the employee is reemployed and eligible for health care coverage under a group policy; or (2) the insurance continuation periods required by state and federal laws expire.

(b) A participating employee who retires and is receiving an annuity or is eligible for and has applied for an annuity under chapter 352, 353, 354, or 354A is eligible to continue to participate in the group hospital, medical, and dental coverage at premiums established by the commissioner. This participation is at the retiree's expense, unless otherwise provided by a collective bargaining agreement. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee must notify the employer within 30 days after the effective date of retirement of intent to exercise this option.

A spouse of a deceased retired employee may purchase the benefits provided at premiums established by the commissioner if the employee received an annuity under chapter 352, 353, 354, or 354A and if the spouse was a dependent under the retired employee's coverage

under this section at the time of the death of the retired employee. Coverage under this paragraph must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The benefits may continue in the event of a strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) A person who desires to participate under paragraphs (a) to (c) shall notify the employer or former employer of intent to participate according to timelines established by the commissioner. The employer shall notify the commissioner, and coverage shall begin as soon as permitted by the commissioner. Persons participating under these paragraphs shall make required premium payments in the time and manner established by the employer or the commissioner.

Subd. 7. [LABOR MANAGEMENT COMMITTEE.] A labor management committee of equal numbers of employees and employers or their representatives shall be appointed by the commissioner of employee relations. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Sec. 2. [APPROPRIATION.]

\$..... is appropriated in fiscal year 1988 from the general fund to the commissioner of employee relations to establish the fringe benefit plan. The appropriation is available until June 30, 1989.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1987, except that benefit coverage established in subdivision 3 is effective September 1, 1989."

Amend the title as follows:

Page 1, line 3, delete "the" and insert "a"

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

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 520, A bill for an act relating to education; appropriating money to the state university board for women's intercollegiate athletic programs.

Reported the same back with the following amendments:

Page 1, line 11, after "board" insert "and state community college board"

Amend the title as follows:

Page 1, line 3, after "board" insert "and state community college board"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 534, A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, nonpublic, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.38, by adding a subdivision; 13.39, subdivision 3; 13.43, by adding a subdivision; 13.46, subdivisions 1, 2, 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 13.89.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public government data upon request. If a person requests copies, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data and for making, certifying and compiling the copies of the data but may not charge for separating public from not public data. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1986, section 13.04, subdivision 2, is amended to read:

Subd. 2. [INFORMATION REQUIRED TO BE GIVEN INDIVIDUAL.] An individual asked to supply private or confidential data concerning the individual shall be informed of: (a) the purpose and intended use of the requested data within the collecting state agency, political subdivision, or statewide system; (b) whether the individual may refuse or is legally required to supply the requested data; (c) any known consequence arising from supplying or refusing to supply private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data. This requirement shall not apply when an individual is asked to supply investigative data, pursuant to section 13.82, subdivision 5, to a law enforcement officer.

~~The commissioner of revenue may place the notice required under this subdivision in the individual income tax or property tax refund instructions instead of on these forms.~~

Sec. 3. Minnesota Statutes 1986, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be

collected, stored, used or disseminated by political subdivisions, statewide systems or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state, local, or federal law subsequent to enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

- (1) In plain language;
- (2) Dated;
- (3) Specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;
- (4) Specific as to the nature of the information the subject is authorizing to be disclosed;
- (5) Specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;
- (6) Specific as to the purpose or purposes for which the information may be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;

(7) Specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years after the date of the policy.

Sec. 4. Minnesota Statutes 1986, section 13.38, is amended to read:

### 13.38 [HEALTH DATA.]

Subdivision 1. [PRIVATE DATA DEFINITIONS.] The following data created, collected and maintained by the department of health, political subdivisions, or statewide systems are classified as private, pursuant to section 13.02, subdivision 12: data on individual patients pertaining to the investigation and study of nonsexually transmitted diseases, except that the data may be made public to diminish a threat to the public health As used in this section:

(a) "Commissioner" means the commissioner of health.

(b) "Health data" means data on individuals created, collected, received, or maintained by the department of health, political subdivisions, or statewide systems relating to the identification, description, prevention, and control of disease or as part of an epidemiologic investigation the commissioner designates as necessary to analyze, describe, or protect the public health.

Subd. 2. [CONFIDENTIAL DATA ON INDIVIDUALS.] The following data created, collected and maintained by a department of health operated by the state or a political subdivision are classified as confidential, pursuant to section 13.02, subdivision 3: investigative files on individuals maintained by the department in connection with the epidemiologic investigation of sexually transmitted diseases, provided that information may be released to the individual's personal physician and to a health officer, as defined in section 145.01, for the purposes of treatment, continued medical evaluation and control of the disease Notwithstanding the provisions of section 13.05, subdivision 9, health data is private data on individuals and shall not be disclosed except as follows:

(a) By the commissioner or board of health to the data subject's physician as necessary to locate or identify a case, carrier, or suspect case as defined by the commissioner through rule, to establish a diagnosis, to provide treatment, to identify persons at risk of illness, or to conduct an epidemiologic investigation.

(b) With the approval of the commissioner, to appropriate parties to locate or identify a case, carrier, or suspect case as defined by the commissioner through rule, or to alert persons who may be at risk of



illness, to control or to prevent the spread of disease or to diminish the threat to the public health.

Subd. 3. [HEALTH SUMMARY DATA.] Data collected on individuals under section 145.413 are confidential data on individuals, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 5. Minnesota Statutes 1986, section 13.39, subdivision 3, is amended to read:

Subd. 3. [INACTIVE INVESTIGATIVE DATA.] Inactive civil investigative data are public, unless the release of the data would jeopardize another pending civil legal action, and except for those portions of a civil investigative file that are classified as not public data by this chapter or other law. Any civil investigative data presented as evidence in court or made part of a court record shall be public. Civil investigative data become inactive upon the occurrence of any of the following events:

(1) a decision by the state agency, political subdivision, or statewide system or by the chief attorney acting for the state agency, political subdivision, or statewide system not to pursue the civil action;

(2) expiration of the time to file a complaint under the statute of limitations or agreement applicable to the civil action; or

(3) exhaustion of or expiration of rights of appeal by either party to the civil action.

Data determined to be inactive under clause (1) may become active if the state agency, political subdivision, statewide system, or its attorney decides to renew the civil action.

Sec. 6. Minnesota Statutes 1986, section 13.41, subdivision 4, is amended to read:

Subd. 4. [PUBLIC DATA.] Licensing agency minutes, application data on licensees, orders for hearing, findings of fact, conclusions of law and specification of the final disciplinary action contained in the record of the disciplinary action are classified as public, pursuant to section 13.02, subdivision 15. The entire record concerning the disciplinary proceeding is public data pursuant to section 13.02, subdivision 15, in those instances where there is a public hearing concerning the disciplinary action. The license numbers, the license status, and continuing education records issued or maintained by the board of peace officer standards and training are classified as public data, pursuant to section 13.02, subdivision 15.

Sec. 7. Minnesota Statutes 1986, section 13.43, is amended by adding a subdivision to read:

Subd. 8. [EMPLOYMENT AND TRAINING PROGRAM DATA.] All data on individuals who apply for or who are enrolled in employment and training programs funded with federal, state, or local resources or a combination of those resources shall be considered personnel data as that term is defined in subdivision 1.

Sec. 8. Minnesota Statutes 1986, section 13.46, subdivision 7, is amended to read:

Subd. 7. [MENTAL HEALTH CENTER DATA.] (a) Mental health data are private data on individuals and shall not be disclosed, except:

(1) pursuant to section 13.05, as determined by the responsible authority for the community mental health center, mental health division, or provider;

(2) pursuant to court order;

(3) pursuant to a statute specifically authorizing access to or disclosure of mental health data; or

(4) with the consent of the client or patient.

(b) An agency of the welfare system may not require an individual to consent to the release of mental health data as a condition for receiving services or for reimbursing a community mental health center, mental health division of a county, or provider under contract to deliver mental health services.

Sec. 9. Minnesota Statutes 1986, section 13.46, is amended by adding a subdivision to read:

Subd. 11. [NURSING HOME APPRAISALS.] Names, addresses, and other data that could identify nursing homes selected as part of a random sample to be appraised by the department of human services in its rate setting process are classified as protected nonpublic data until the sample has been completed.

Sec. 10. [13.501] [SCHOOL DISTRICT APPRAISAL DATA.]

Appraisals or estimates of the value of school district property made or obtained by or on behalf of the school district or its personnel for the purposes of establishing or negotiating the price at which property designated for sale will be sold or offered for sale are classified as nonpublic data until the occurrence of any of the events set forth in section 13.50, subdivision 2.

## Sec. 11. [13.531] [FARM ASSISTANCE DATA.]

The following data collected and maintained by counties that provide assistance to individual farmers who are experiencing economic or emotional distress is classified as private data: financial history, including listings of assets and debts, and personal and emotional status information.

## Sec. 12. [13.551] [CLASSIFICATION OF SAINT PAUL PORT AUTHORITY DATA.]

The following data not on individuals collected and maintained by the Saint Paul port authority are classified as protected nonpublic, until 30 days before the date of a hearing on a proposed sale pursuant to section 458.196: financial studies and reports that are part of appraisers' estimates of value of or concerning projects as defined in chapter 474, prepared by personnel of the port authority or independent accountants, consultants, and appraisers for the purpose of marketing by sale or lease a project which the port authority has acquired or repossessed as the result of the default under and the termination of a revenue agreement as defined in chapter 474.

## Sec. 13. [13.691] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION DATA.]

The following data on individual beneficiaries and survivors of public employment retirement association members are classified as private: home address, date of birth, direct deposit account number, and tax withholding data.

Sec. 14. Minnesota Statutes 1986, section 13.76, is amended to read:

## 13.76 [DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT DATA.]

Subdivision 1. [DEVELOPMENT LOAN DATA.] All financial information on individuals and business entities including, but not limited to, credit reports, financial statements, and net worth calculations, that are contained in applications received by the department of energy and economic development in its administration of the certified state development loan program are classified as private data with regard to data on individuals, and as nonpublic data with regard to data not on individuals.

Subd. 2. [FINANCIAL INCENTIVE DATA.] Data collected by the department of energy and economic development relating to financial incentives offered by private businesses and organizations, other

than state government, to companies for locating their proposed business operations in Minnesota are classified as nonpublic data.

Sec. 15. [13.762] [DEPARTMENT OF PUBLIC SERVICE DATA.]

All data collected by the department of public service that would reveal the identities of tenants who make complaints regarding energy efficiency standards for rental housing are classified as private data.

Sec. 16. [13.771] [HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD DATA.] The following data on individuals filing claims for compensation with the hazardous substance injury compensation board for injury from hazardous substances are classified as confidential while the claim is being investigated and private after a decision is made by the board about the claim: all medical data provided to the board by the claimant or providers of health care to the claimant, including reports of physical examinations, mental health treatment, hospital care, physical therapy, laboratory testing, X-ray studies, and prescriptions; and all financial data provided to the board by the claimant or the claimant's employer, insurance carrier, or other provider of benefits, including state or federal tax forms, W-2 forms, salary records, records of insurance payments, unemployment or disability benefits.

The name and address of the individual filing the claim, the amount of any award made for injury, and the board's basis for making the award are public data after the award has been made. Such data shall remain private data where claimant obtains no award."

Delete the title and insert:

"A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, nonpublic, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.05, subdivision 4; 13.38; 13.39, subdivision 3; 13.41, subdivision 4; 13.43, by adding a subdivision; 13.46, subdivision 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 556, A bill for an act relating to human services; establishing difficulty of care payments for children in foster care;

amending Minnesota Statutes 1986, section 256.82, subdivision 3, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 18, delete "is authorized to" and insert "shall"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 578, A bill for an act relating to state government; adding certain emergency personnel to the list of people eligible for benefits from the peace officers benefit fund; amending Minnesota Statutes 1986, section 176B.01, subdivision 2.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 606, A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.48, subdivision 4; and 296.13; proposing coding for new law as Minnesota Statutes, chapter 115C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [115C.01] [CITATION.]

Sections 1 to 10 may be cited as the petroleum tank release cleanup act.

## Sec. 2. [115C.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 10.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [BOARD.] "Board" means the petroleum tank release compensation board established under section 7.

Subd. 4. [CORRECTIVE ACTION.] "Corrective action" means an action taken to minimize, eliminate, or cleanup a release to protect the public health and welfare or the environment.

Subd. 5. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 6. [FUND.] "Fund" means the petroleum tank release cleanup fund established under section 8.

Subd. 7. [OPERATOR.] "Operator" means a person in control of, or having responsibility for, the daily operation of a tank.

Subd. 8. [OWNER.] "Owner" means a person who holds title to, controls, or possesses an interest in a tank. The term "owner" does not include a person who holds an interest in a tank solely for financial security, unless through foreclosure or other related actions the holder of a security interest has taken possession of the tank.

Subd. 9. [PERSON.] "Person" means an individual, partnership, association, public or private corporation, or other legal entity, including the United States government, an interstate commission or other body, the state and any agency, board, bureau, office, department, or political subdivision of the state.

Subd. 10. [PETROLEUM.] "Petroleum" means:

(1) gasoline and fuel oil as defined in section 296.01, subdivisions 3 and 4;

(2) crude oil or a fraction of crude oil that is liquid at a temperature of 60 degrees Fahrenheit and pressure of 14.7 pounds per square inch absolute; and

(3) constituents of gasoline and fuel oil under clause (1) and crude oil under clause (2).

Subd. 11. [POLITICAL SUBDIVISION.] "Political subdivision" means a county, town, or a statutory or home rule charter city.

Subd. 12. [RELEASE.] "Release" means a spilling, leaking, emitting, discharging, escaping, leaching, or disposing of petroleum from a tank into the environment whether occurring before or after the effective date of sections 1 to 10 but does not include discharges or designed venting allowed under agency rules.

Subd. 13. [RESPONSIBLE PERSON.] "Responsible person" means a person who is an owner or operator of a tank at any time during or after the release.

Subd. 14. [TANK.] "Tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is, or has been, used to contain or dispense petroleum.

"Tank" does not include:

(1) a mobile storage tank used for transporting petroleum from one location to another; or

(2) pipeline facilities, including gathering lines, regulated under the Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29.

### Sec. 3. [115C.03] [RESPONSE TO RELEASES.]

Subdivision 1. [CORRECTIVE ACTION ORDERS.] (a) If there is a release, the director may order a responsible person to take reasonable and necessary corrective actions. The director must notify the owner of real property where corrective action is ordered to be taken that responsible persons have been ordered to take corrective action and that the owner's cooperation will be required for responsible persons to take that action.

(b) If the director has ordered a responsible person to take a corrective action under paragraph (a), a political subdivision may not request or order the person to take an action that conflicts with or is more restrictive than the action ordered by the director.

Subd. 2. [AGENCY AND COMPELLED PERFORMANCE CORRECTIVE ACTIONS.] The agency may take corrective action or request the attorney general bring an action to compel performance of a corrective action if:

(1) a responsible person cannot be identified;

(2) an identified responsible person cannot or will not comply with the order issued under subdivision 1; or

(3) an administrative or judicial proceeding on an order issued under subdivision 1 is pending.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an adequate response to a release, the director may take corrective action without following the procedures of subdivision 1 if the director determines that the release constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the director shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible person to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [RELEASE IS A PUBLIC NUISANCE.] A release is a public nuisance and may be enjoined in an action, in the name of the state, brought by the attorney general.

Subd. 5. [INVESTIGATIONS.] If the director has reason to believe that a release has occurred, the director may undertake reasonable investigations necessary to identify the existence, source, nature, and extent of a release, the responsible persons, and the extent of danger to the public health and welfare or the environment.

Subd. 6. [DUTY TO PROVIDE INFORMATION.] A person who the director has reason to believe is a responsible person, or the owner of real property where corrective action is ordered to be taken, or who might otherwise have information concerning a release, shall, when requested by the director or any member, employee, or agent of the agency who is authorized by the director, furnish to the director any information that person may have or may reasonably obtain that is relevant to the release.

Subd. 7. [ACCESS TO INFORMATION AND PROPERTY.] The director or any member, employee, or agent of the agency authorized by the director, may, upon presentation of official agency credentials, take any of the following actions:

(1) examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information to the director under subdivision 6; and

(2) enter upon public or private property for the purpose of taking action authorized by this section, including obtaining information from a person who has a duty to provide the information under subdivision 6, conducting surveys and investigations, and taking corrective action.

Subd. 8. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from a person under



subdivision 6 or 7 is public data as defined in section 13.02. Upon certification by the subject of the data that the data relates to sales figures, processes or methods of production unique to that person, or information that would tend to adversely affect the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 13.02. Data classified as private or nonpublic under this subdivision may be disclosed when relevant in a proceeding under sections 3 to 10.

Sec. 4. [115C.04] [LIABILITY FOR RESPONSE COSTS.]

Subdivision 1. [CORRECTIVE ACTION LIABILITY.] A responsible person is liable for the cost of the corrective action taken by the agency under section 3, subdivisions 2 and 3, including the cost of investigating the release and administrative and legal expenses, if:

(1) the responsible person has failed to take a corrective action ordered by the director and the agency has taken the action;

(2) the agency has taken corrective action in an emergency under section 3, subdivision 2; or

(3) the agency has taken corrective action because a responsible person could not be identified.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible person may not avoid the liability by means of any conveyance of any right, title, or interest in real property; or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [AGENCY COST RECOVERY.] Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release and administrative and legal expenses, may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the

expenses are reasonable and necessary. Expenses that are recovered under this section shall be deposited in the fund.

Sec. 5. [115C.05] [CIVIL PENALTY.]

The agency may enforce section 3 using the actions and remedies authorized under section 115.071, subdivision 3. The civil penalties recovered by the state shall be credited to the fund.

Sec. 6. [115C.06] [EFFECT ON OTHER LAW.]

Subdivision 1. [ACTIONS UNDER CHAPTER 115B.] Sections 3 to 10 do not limit any actions initiated by the agency under chapter 115B.

Subd. 2. [DUTY TO NOTIFY AND TAKE ACTION FOR RELEASE.] Sections 3 to 10 do not limit a person's duty to notify the agency and take action related to a release as provided under section 115.061.

Sec. 7. [115C.07] [PETROLEUM TANK RELEASE COMPENSATION BOARD.]

Subdivision 1. [ESTABLISHMENT.] The petroleum tank release compensation board is established. The members of the board shall consist of the director of the pollution control agency, the commissioner of the department of commerce, two representatives from the petroleum industry, and one representative from the insurance industry. The governor shall appoint the members from the insurance and petroleum industry. The filling of positions reserved for industry representatives, vacancies, membership terms, payment of compensation and expenses, and removal of members is governed by section 15.0575. The governor shall designate the chair of the board.

Subd. 2. [STAFF.] The commissioner of commerce shall provide staff to support the activities of the board.

Subd. 3. [RULES.] (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.

(b) The board may adopt emergency rules under this subdivision for one year after the effective date of this section.

Sec. 8. [115C.08] [PETROLEUM TANK RELEASE CLEANUP FUND.]

Subdivision 1. [ESTABLISHMENT.] The petroleum tank release cleanup fund is established as an account in the state treasury.

Subd. 2. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the state treasury and credited to the fund:

- (1) the proceeds of the fee imposed by subdivision 4;
- (2) money recovered by the state under sections 4, 5, and 14, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;
- (3) interest attributable to investment of money in the fund;
- (4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund; and
- (5) fees charged for the operation of the tank installer certification program established under section 14.

Subd. 3. [IMPOSITION OF FEE.] The board shall continuously monitor the amount of money in the fund and shall notify the commissioner of revenue if the unexpended balance of the fund at any time falls below \$1,000,000. If the balance in the fund falls below \$1,000,000, the commissioner of revenue shall impose the fee established in subdivision 4 for a period of one month, within 60 days of receiving notice from the board.

Subd. 4. [PETROLEUM TANK RELEASE CLEANUP FEE.] A petroleum tank release cleanup fee is imposed on the use of tanks. The fee shall be collected in the manner provided in sections 296.13 and 296.14. The fee shall be calculated at a rate of \$10 per 1,000 gallons of petroleum products as defined in section 296.01, subdivision 2, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15.

Subd. 5. [EXPENDITURES.] Money in the fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in sections 3 to 10;
- (2) for agency administrative costs under sections 3 to 6 and section 14 and costs of corrective action taken by the agency under section 3, including investigations;

(3) for costs of recovering expenses of corrective actions under section 4; and

(4) for training, certification, rulemaking, and regulation under section 14, and under sections 116.46 to 116.50.

**Sec. 9. [115C.09] [CORRECTIVE ACTION REIMBURSEMENT TO RESPONSIBLE PERSONS.]**

**Subdivision 1. [REIMBURSABLE CORRECTIVE ACTIONS.]**  
The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for releases reported after the effective date of sections 1 to 10.

**Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.]** (a) A responsible person who has taken corrective action in response to a release reported after the effective date of sections 1 to 10 may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board.

(b) A reimbursement may not be made unless the board determines that:

(1) the director has determined that the corrective action has adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment;

(2) at the time of the release the tank was in compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(3) the agency was given notice of the release as required by section 115.061;

(4) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(5) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

**Subd. 3. [REIMBURSEMENT.]** (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund for 75 percent of the portion of the total corrective action costs greater than \$10,000 and less than \$100,000.

(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) Money in the fund is continuously appropriated to the board to make reimbursements under this section.

Subd. 4. [REIMBURSEMENT DOES NOT AFFECT OTHER LIABILITY.] The right to apply for reimbursement and the receipt of reimbursement does not limit the liability of a responsible person for damages or costs incurred by a person or the state as a result of a release.

Sec. 10. [115C.10] [FUNDING OF AGENCY ACTIONS.]

Subdivision 1. [PAYMENT FROM THE FUND.] (a) If the cost of authorized actions under section 3 exceeds the amount appropriated to the agency for the actions and amounts awarded to the agency from the federal government, the agency may apply to the board for money to pay for the actions from the fund. The board shall pay the agency the cost of the proposed actions under section 3 if the board finds that the conditions for the agency to be paid from the fund have been met, and that an adequate amount exists in the fund to pay for the corrective action.

(b) Money in the fund is continuously appropriated to the board for the purpose of this subdivision.

Subd. 2. [FEDERAL FUNDS.] The director shall take actions needed to obtain federal funding to carry out the provisions of the petroleum tank release cleanup act.

Sec. 11. Minnesota Statutes 1986, section 116.46, is amended by adding a subdivision to read:

Subd. 1a. [ABOVEGROUND STORAGE TANK.] "Aboveground storage tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is used to contain or dispense regulated substances, and that is not an underground storage tank.

Sec. 12. Minnesota Statutes 1986, section 116.46, is amended by adding a subdivision to read:

Subd. 2a. [INSTALLER.] "Installer" means a person who places, constructs, or repairs an aboveground or underground storage tank, or permanently takes an aboveground or underground storage tank out of service.

Sec. 13. Minnesota Statutes 1986, section 116.48, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT INFORMATION.] Beginning January 1, 1986, on the effective date of this section and until July 1, 1987, a

person who deposits transfers the title to regulated substances in to be placed directly into an underground storage tank must inform the owner or operator in writing of the notification requirement of this section.

**Sec. 14. [116.501] [TANK INSTALLERS TRAINING AND CERTIFICATION.]**

Subdivision 1. [REQUIREMENT.] (a) After the effective date of rules adopted under subdivision 3, a person may not install, repair, or take an aboveground or underground storage tank permanently out of service without first obtaining a certification of competence issued by the agency.

(b) The agency shall conduct examinations to test the competence of applicants for certification, issue documentation of certification, and require certification to be renewed at reasonable intervals. The agency may conduct training programs for installers.

Subd. 2. [FEES.] The agency may charge fees as are necessary to cover the actual costs of processing applications, conducting examinations, issuing and renewing certificates, and providing training programs. The fees received under this section shall be credited to the petroleum tank release cleanup fund.

Subd. 3. [RULES.] The agency shall adopt rules containing standards of competence for installers and to implement this section.

**Sec. 15. [INITIAL FUNDING FOR PETROLEUM TANK RELEASE CLEANUP FUND.]**

To provide the initial funding for the petroleum tank release cleanup fund, the commissioner of revenue shall impose the fee established in section 8, subdivision 4, in the months of September and October 1987 for collection during the months of October and November 1987.

**Sec. 16. [APPROPRIATION.]**

Subdivision 1. [PETROLEUM TANK RELEASE CLEANUP FUND.] (a) \$..... is appropriated from the general fund to the petroleum tank release cleanup fund.

(b) The appropriation in paragraph (a) shall be reimbursed to the general fund from the petroleum tank release cleanup fund by June 30, 1988.

Subd. 2. [POLLUTION CONTROL AGENCY.] (a) The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:

|                                 | <u>1988</u> | <u>1989</u> |
|---------------------------------|-------------|-------------|
| <u>Pollution Control Agency</u> |             |             |
| <u>Administration</u>           | \$.....     | \$.....     |
| <u>Corrective/Investigative</u> |             |             |
| <u>Action Costs</u>             | \$.....     | \$.....     |

(b) Expenses incurred by the agency under section 3 shall be paid by the agency from the appropriation under this subdivision. Before using this appropriation, the agency shall use any federal money available to pay for corrective actions, except that the fund may be used to pay any state match required by federal law. The director shall report to the petroleum tank release compensation board describing the corrective or investigative action being taken, the reason that the appropriation is being used to pay for that action, and an estimate of the cost of that action.

(c) The approved complement of the agency is increased by .... positions in fiscal year 1988 and by ... additional positions in fiscal year 1989.

Subd. 3. [DEPARTMENT OF COMMERCE.] The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:

|                               | <u>1988</u> | <u>1989</u> |
|-------------------------------|-------------|-------------|
| <u>Department of Commerce</u> |             |             |
| <u>Administration</u>         | \$.....     | \$.....     |

The approved complement of the department of commerce is increased by .... positions.

Subd. 4. [PETROLEUM TANK RELEASE COMPENSATION BOARD.] The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:

|                               | <u>1988</u> | <u>1989</u> |
|-------------------------------|-------------|-------------|
| <u>Petroleum Tank Release</u> |             |             |
| <u>Compensation Board</u>     |             |             |
| <u>Administration</u>         | \$.....     | \$.....     |

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment. Sections 15 and 16 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.46, by adding subdivisions; and 116.48, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 115C; proposing coding for new law in Minnesota Statutes, chapter 116."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 629, A bill for an act relating to traffic regulations; providing for handicapped license plate and handicapped parking certificate conferring certain parking privileges; establishing designated handicapped parking spaces; providing penalties; amending Minnesota Statutes 1986, sections 168.021, subdivisions 1, 1a, 3, and 5; 169.345; and 169.346, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 168.021, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.021, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL PLATES; APPLICATION FOR ISSUANCE.] When a motor vehicle registered under section 168.017, or a self-propelled recreational vehicle, is owned or primarily operated by a physically handicapped person, the owner may apply for and secure from the registrar of motor vehicles two license ~~number~~ plates with attached emblems, one plate to be attached to the front, and one to the rear of the vehicle. Application for ~~issuance of these~~ the plates must be made at the time of renewal or first application for registration. When the owner first applies for the plates, and whenever the plates must be replaced, the owner must submit a physician's statement on a form developed by the commissioner under section 169.345.



Sec. 2. Minnesota Statutes 1986, section 168.021, subdivision 1a, is amended to read:

Subd. 1a. [SCOPE OF PRIVILEGE.] If ~~any a~~ physically handicapped person parks a vehicle displaying license plates described in this section or any person parks ~~such a the~~ vehicle ~~while transport-~~ing for a physically handicapped person, that person shall be entitled to ~~courtesy in the parking of park~~ the vehicle and be relieved of any liability with respect to parking except as provided in sections 169.32 and 169.34; provided that any municipal governing body may, by ordinance, prohibit parking on any street or highway for the purpose of creating a fire lane, or to provide for the accommodation of heavy traffic during morning and afternoon rush hours and the privileges extended to handicapped persons shall not apply on streets or highways where and at the time parking is prohibited. The license plates specified in this section shall also serve to identify vehicles properly parked in designated handicapped parking spaces, as provided in section 169.346 as provided in section 169.345.

Sec. 3. Minnesota Statutes 1986, section 168.021, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF PLATES; FURNISHING BY REGISTRAR.] The registrar of motor vehicles shall design and furnish two license number plates with attached emblems to each ~~such~~ eligible owner. The emblem ~~shall~~ must bear the internationally accepted wheel-chair symbol, as designated in section 16.8632, approximately three inches square. The emblem ~~shall~~ must be of such size as large enough to be visible plainly from a distance of 50 feet. ~~Applicants~~ An applicant eligible for ~~these the~~ special plates shall pay the motor vehicle registration fee authorized by law less a credit of \$1 for each month registered.

Sec. 4. Minnesota Statutes 1986, section 168.021, subdivision 3, is amended to read:

Subd. 3. [PENALTIES FOR UNAUTHORIZED USE OF PLATE PLATES.] A person who ~~appropriates or~~ uses the ~~plate plates~~ provided ~~in~~ under this section ~~upon~~ on a motor vehicle ~~other than~~ as authorized by in violation of this section is guilty of a ~~gross~~ misdemeanor, and is subject to a fine of \$500. This subdivision does not preclude a person who is not physically handicapped from operating a vehicle ~~upon which these bearing the plates are displayed where~~ if the person is the owner of the vehicle and permits its operation by a physically handicapped person, or ~~where~~ if the person operates the vehicle with the consent of the owner who is physically handicapped. A ~~nonhandicapped~~ driver who is not handicapped is not entitled to the parking privileges provided in this section and in section 169.346 unless transporting parking the vehicle for a physically handicapped person.

Sec. 5. Minnesota Statutes 1986, section 168.021, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] For the purposes of this section, a the term "physically handicapped person" means a person who has sustained an amputation or material disability of either or both arms or legs, or who has been otherwise disabled in any manner, rendering it difficult and burdensome for the person to walk has the meaning given it in section 169.345.

Sec. 6. Minnesota Statutes 1986, section 168.021, subdivision 6, is amended to read:

Subd. 6. [DRIVERS DRIVER'S LICENSE LAW NOT AFFECTED.] Nothing in this section shall be construed to revoke, limit, or amend any of the terms of the drivers license law chapter 171.

Sec. 7. Minnesota Statutes 1986, section 169.345, is amended to read:

**169.345 [PARKING PRIVILEGES FOR PHYSICALLY HANDICAPPED.]**

Subdivision 1. [SCOPE OF PRIVILEGE.] Any physically handicapped person who displays prominently upon the vehicle parked by or under the direction and for the use of the handicapped person, A vehicle that prominently displays the distinguishing certificate specified in authorized by this section shall be entitled to courtesy in the parking of the vehicle and be relieved of any liability with respect to parking except as provided in sections 169.32 and 169.34; provided that any municipal governing body, or bears license plates issued under section 168.021, may be parked by or for a physically handicapped person:

(1) in a designated handicapped parking space, as provided in section 169.346;

(2) in a limited time parking space without regard to the posted time limit; and

(3) in a metered parking space without obligation to pay the meter fee.

Notwithstanding clauses (1) to (3), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway for the purpose of creating to create a fire lane, or to provide for the accommodation

of accommodate heavy traffic during morning and afternoon rush hours and the privileges extended to such handicapped persons shall not these ordinances also apply on streets or highways where and at such time parking is prohibited. The certificate specified in this section shall also serve to identify vehicles properly parked in designated handicapped parking spaces as provided in section 169.346 to physically handicapped persons.

Subd. 2. [DEFINITIONS.] For the purpose of this section "physically handicapped person" means any a person who has sustained an amputation or material disability of either or both arms or legs, or who has been otherwise disabled in any manner rendering it difficult and burdensome to walk:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one meter;

(5) has an arterial oxygen tension ( $P_{AO_2}$ ) of less than 60 mm/hg on room air at rest;

(6) uses portable oxygen; or

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association.

Subd. 2a. [PHYSICIAN'S STATEMENT.] The commissioner shall develop a form for the physician's statement. The statement must be signed by a licensed physician who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician if needed to verify the applicant's eligibility. The physician's statement must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician as to the duration of the disability. A physician who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate

authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall ~~issue without charge a special identifying certificate for a marked motor vehicle to any~~ when a physically handicapped applicant upon submission by the applicant of a certificate by a qualified physician to the division that the applicant is a physically handicapped person within the meaning of subdivision 2 submits a physician's statement. The commissioner shall issue a single type of certificate to both permanently and temporarily physically handicapped persons. The certificate is valid for the duration of the person's disability, as specified in the physician's statement, up to a maximum of five years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to five years each, as specified in the physician's statement.

(b) Upon submission of satisfactory evidence When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons within the meaning of subdivision 2, the division may issue without charge a special identifying certificate or insignia for the vehicle. The operator of the a vehicle, when displaying the certificate or insignia, has the same parking privileges provided in subdivision 1 for the physically handicapped during the period while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

The commissioner of public safety shall determine the form, size and promulgate rules governing their issuance and use necessary to carry out the provisions of this section. The physician's certificate shall specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician as to the duration of the disability. The commissioner may issue special identifying certificates to temporarily physically handicapped persons for limited periods of time.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before December 31, 1987, and must bear its expiration date prominently on its face. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate.

Subd. 4. [UNAUTHORIZED USE; REVOCATION; PENALTY.] If the police of the state or any city, or other local government shall ~~find~~ a peace officer finds that the certificate is being improperly

used, they the officer shall report the violation to the division of driver and vehicle services in the department of public safety any violation and the commissioner of public safety may remove revoke the privilege certificate. A person who uses the certificate in violation of this section is guilty of a misdemeanor and is subject to a fine of \$500.

Sec. 8. Minnesota Statutes 1986, section 169.346, is amended to read:

**169.346 [PARKING FOR PHYSICALLY HANDICAPPED; PROHIBITIONS; PENALTIES.]**

Subdivision 1. [PARKING CRITERIA.] ~~No~~ A person shall not park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically handicapped, on either private or public property, ~~or shall not park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a handicapped transfer zone, and shall not exercise the parking privilege provided in section 169.345, unless:~~

~~(a)~~ (1) that person is a physically handicapped person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically handicapped person; and

~~(b)~~ (2) the vehicle visibly displays ~~the certificate or one of the following: a license plate issued to physically handicapped persons or the under section 168.021, a certificate issued to persons transporting physically handicapped persons by the department of public safety pursuant to under section 169.345, subdivision 3, or 168.021, or if the vehicle visibly displays an equivalent certificate, insignia, or license plate issued by another state or one of its political subdivisions.~~

Subd. 2. [SIGNS; PARKING SPACES TO BE FREE OF OBSTRUCTIONS.] (a) Handicapped parking spaces must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that the parking space is reserved for the handicapped persons with vehicles displaying the required certificate, license plates, or insignia. Signs must also indicate the fine for violation provided in subdivision 3. Spaces which have been that are clearly identified for handicapped parking by signs which that are not in compliance with the design standards as set forth in this subdivision shall also be deemed designated and reserved for the physically handicapped for the purposes of this section. A sign posted for the purpose of this section must be visible from inside a vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable or only movable by authorized persons.

(b) The owner of the property on which the designated parking space is located shall ensure that the space is kept free of obstruction. If the owner or manager allows the space to be blocked by snow, merchandise, or similar obstructions for 24 hours after receiving a warning from a police officer, the property owner or manager is guilty of a misdemeanor and subject to a fine of \$500.

Subd. 3. [PENALTY.] Any A person who violates the provisions of subdivision 1 is guilty of a petty misdemeanor and shall be fined not less than \$25 nor more than \$100. This subdivision shall be enforced in the same manner as parking ordinances or regulations are enforced in the governmental subdivision in which the violation occurs. Law enforcement officers have the authority to tag vehicles parked on either private or public property in violation of the provisions of subdivision 1. A physically handicapped person, or a person parking a vehicle for a handicapped person, who is charged with violating subdivision 1 because the person parked in a handicapped parking space without the required certificate or insignia license plates shall not be convicted upon producing if the person produces in court or prior to before the court appearance the required certificate or insignia evidence that the person has been issued license plates under section 168.021, and demonstrates entitlement to the certificate or insignia plates at the time of arrest or tagging.

#### Sec. 9. [TRANSITION.]

From January 1, 1988, to December 31, 1988, the owner of a vehicle with license plates issued under Minnesota Statutes, section 168.021 before January 1, 1988, must reapply for the plates and submit the physician's statement required under Minnesota Statutes, section 169.345, subdivision 2a, to the commissioner when the registration for the plates expires. A certificate issued under Minnesota Statutes, section 169.345 before January 1, 1988, expires on December 31, 1988, unless it is reissued by the commissioner before that date. The commissioner of public safety shall develop and implement an informational campaign to notify the public and holders of certificates and license plates issued before January 1, 1988, of the need to reapply for certificates and license plates and of other changes made by sections 1 to 8 in the certificate and license plate program for physically handicapped persons. The council for the handicapped shall assist the commissioner and officials charged with enforcing municipal parking restrictions in the implementation of sections 1 to 8.

#### Sec. 10. [REPEALER.]

Minnesota Statutes 1986, section 168.021, subdivision 7, is repealed.

#### Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 9 are effective December 31, 1987."

Delete the title and insert:

"A bill for an act relating to public safety; parking for handicapped persons; imposing a fine for violations of handicapped parking provisions; providing penalties; amending Minnesota Statutes 1986, section 168.021, subdivisions 1, 1a, 2, 3, 5, and 6; 169.345; and 169.346; repealing Minnesota Statutes 1986, section 168.021, subdivision 7."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 643, A bill for an act relating to domestic abuse; prohibiting modification or vacation of certain orders for protection in a marriage dissolution proceeding; providing that certain actions are not violations of an order for protection; requiring written notice to respondents of penalties for violation of an order; requiring notice to peace officers; amending Minnesota Statutes 1986, sections 518.131, subdivision 2; and 518B.01, subdivisions 4, 6, 14, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 24, delete "chapter 518B" and insert "section 518B.01, subdivision 6, clause (a)"

Page 1, line 26, after "abuse" insert ", except that the court may hear a motion for modification or vacation of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and hearing. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify or vacate is granted, a separate order for modification or vacation of an order for protection shall be issued"

Page 2, line 23, after "(b)" insert "if the respondent is avoiding personal service by concealment or otherwise"

Page 3, line 34, after "separation" insert "except that the court may hear a motion for modification or vacation of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and hearing. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify or vacate is granted, a separate order for modification or vacation of an order for protection shall be issued"

Page 4, line 35, delete “(a)”

Page 5, line 4, delete “and”

Page 5, after line 4, insert:

“(2) the respondent is forbidden to enter or stay at the petitioner’s residence for any reason, even if invited to do so by the petitioner, and in no event will the order be voided; and”

Page 5, line 5, delete “(2)” and insert “(3)”

Page 5, delete lines 9 to 12

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 654, A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.604, subdivision 1.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 677, A bill for an act relating to education; requiring school districts to establish local literacy policies and standards for high school graduation; amending Minnesota Statutes 1986, section 126.66, by adding a subdivision.

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

The report was adopted.



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

H. F. No. 683, A bill for an act relating to the organization and operation of state government; adding members to the board of animal health; modifying and clarifying the powers of the board; regulating dealers; prescribing a civil penalty; amending Minnesota Statutes 1986, sections 35.02, subdivision 1; 347.31; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39; and 347.40; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [346.55] [CIVIL LIABILITY.]

Subdivision 1. [PENALTY.] The transfer by a person other than the owner of a dog or cat to a dealer, the possession of a dog or cat by a dealer without the permission of the owner, or the transfer of a dog or cat by a dealer to an institution without the permission of the owner is prohibited. Nothing in this section prohibits the transfer of a dog or cat to a dealer if the dog or cat is removed from a property by or at the request of a person in possession of the property. For the purpose of this subdivision, "dealer" and "institution" have the meanings given them in section 2.

A person who transfers or possesses a dog or cat without claim of right with intent to deprive the owner permanently of possession of the dog or cat violates this section and is liable for a civil penalty of up to \$1,000 per dog or cat for each violation. In bringing a civil action under this section the charging attorney shall consider, and in imposing a fine the court shall consider:

- (1) the history of previous violations;
- (2) the number of violations;
- (3) the degree of willfulness of the violation;
- (4) the good faith of the dealer;
- (5) the good faith of the person delivering the dog or cat to the dealer; and
- (6) the gravity of the violation.

A fine paid by the defendant in a criminal action that arose from the same violation may not be applied toward payment of the civil penalty under this subdivision.

Subd. 2. [JURISDICTION.] Notwithstanding sections 487.15, 488A.01, and 488A.18, the county and municipal courts may hear, try, and determine actions started under this section. Trials under this section must be to the court, sitting without a jury.

Subd. 3. [APPEARANCES.] Notwithstanding section 8.01, county or city attorneys may appear for the board of animal health in civil actions started under this section at the request of the attorney general. All actions under this section must be brought in the name of the state of Minnesota with the consent of the board of animal health.

Subd. 4. [VENUE.] Civil actions under this section may be started in any county in which the animal in question was transferred or possessed, or from which the dog or cat was removed without the permission of the lawful owner.

Subd. 5. [FINES.] Fines collected under this section must be disposed of as follows:

(a) If the violation occurs in the county, and the county attorney appears in the action, 50 percent to the county and 50 percent to the state.

(b) If the violation occurs within the municipality, and the city attorney appears in the action, 50 percent to the city and 50 percent to the state.

(c) If the attorney general appears in the action, all penalties imposed and fines collected must be credited to the general fund in the state treasury.

Subd. 6. [JOINT LIABILITY.] All licensees and colicensees under sections 347.32 to 347.34 are jointly and severally liable under this section.

Sec. 2. Minnesota Statutes 1986, section 347.31, is amended to read:

**347.31 [REGULATION OF DOG KENNELS; DEFINITIONS.]**

Subdivision 1. [TERMS.] For the purpose of sections 347.31 to 347.40 the terms defined in this section shall have the meanings given to them.

Subd. 2. [DOG KENNEL.] "Dog Kennel" means any place, building, tract of land, abode, or vehicle wherein or whereupon dogs or cats are kept, congregated, or confined, such if the dogs having been or cats were obtained from municipalities, dog pounds, dog auctions, or by advertising for unwanted dogs or cats, or dogs or cats strayed,

abandoned, or stolen, and if the dogs or cats will be transferred to a dealer or institution. "Dog Kennel" does not mean include a dog pound owned and operated by any political subdivision of the state. "Kennel" does not include a person's home where dogs or cats are kept as pets or a county humane society formed under section 343.10.

Subd. 3. [PREMISES.] The word "Premises" means any building, structure, shelter, or land wherein or whereon dogs or cats are kept or confined.

Subd. 4. [DEALER.] "Dealer" means a public or private agency, person, society, or corporation that is licensed or is required to be licensed as a "Class B dealer" under Public Law Number 89-544, as amended.

Subd. 5. [INSTITUTION.] "Institution" means a school or college of agriculture, veterinary medicine, medicine, pharmacy, dentistry, or other educational or scientific organization properly concerned with the investigation of living organisms, instruction concerning the structure or functions of living organisms, or the cause, prevention, control, or cure of diseases or abnormal conditions of human beings or animals.

Subd. 6. [POUND.] "Pound" means a facility for the holding of dogs and cats owned and operated by or under contract to a political subdivision of the state that is subject to section 35.71.

Sec. 3. Minnesota Statutes 1986, section 347.32, is amended to read:

**347.32 [LICENSE FOR DOG KENNEL OR DEALER.]**

No person, firm, or corporation shall establish, maintain, conduct, or operate a dog kennel or operate as a dealer within this state without first obtaining a license therefor from the board of animal health. The license shall be issued for a term of one year.

Each license issued to a for-profit corporation must include as colicensees each officer of the corporation.

Sec. 4. Minnesota Statutes 1986, section 347.33, is amended to read:

**347.33 [LICENSING PROCEDURES; INSPECTIONS; ADMINISTRATION.]**

Subdivision 1. [APPLICATION.] The application for a license to operate and maintain a dog kennel or operate as a dealer shall be

made to the board of animal health, in the manner prescribed by rules of the board.

Subd. 2. [CONTENTS.] The application for a license shall be in writing and on a form as the board may by rule provide, and shall set forth:

(1) The full name and address of the applicant or applicants, or names and addresses of the partners if the applicant is a partnership, or the names and addresses of the officers if the applicant is a corporation, and the address of the corporation.

(2) The legal description or, in its place, the address and specific location of the site, lot, field, or tract of land upon which it is proposed to operate and maintain a dog kennel.

Subd. 3. [FEES; ISSUANCE OF LICENSE.] The annual license fee is \$10 for each kennel or dealer licensed. All license fees collected by the board shall be deposited in the state treasury and credited to the general fund.

When application is made to the board, complete in the manner set forth by rule to be issued by the board, and upon payment of the license fee, the license shall be issued by the board if, after inspection of the premises, the board determines that the dog kennel or dealer complies with sections 347.31 to 347.40 and the rules promulgated pursuant to it those sections.

Sec. 5. Minnesota Statutes 1986, section 347.34, is amended to read:

#### 347.34 [LICENSES REQUIRED.]

It shall be unlawful for any person, firm, or corporation to establish, maintain, conduct, carry on, or operate a dog kennel or operate as a dealer without first having received a license to maintain, conduct, carry on, and operate a dog kennel, or operate as a dealer, duly signed and executed in the name of the state of Minnesota and signed by the board of animal health. The license shall be conspicuously displayed upon the licensed premises.

All licenses issued under sections 347.31 to 347.40 shall be personal to the licensee and be nontransferable.

Sec. 6. Minnesota Statutes 1986, section 347.35, is amended to read:

#### 347.35 [BOARD OF ANIMAL HEALTH AUTHORIZED TO PROMULGATE RULES.]

The board of animal health shall promulgate rules as it deems necessary for the operation of dog kennels and dealers and the enforcement of sections 347.31 to 347.40 which shall be in addition to rules established herein. The rules adopted by the board with respect to licensing, inspection, and enforcement of civil penalties must provide for cooperation with the United States Department of Agriculture animal plant health inspection service program and for reference of complaints to local enforcement authorities. Rules may must include, but are not limited to, requirements governing the care of dogs and cats, minimum conditions, and maintenance of quarters and dog kennels, the humane treatment of dogs and cats while in the dog kennels, maintenance of detailed records showing the person from whom any dog or cat aged over three months has been received, including address, drivers license number or social security number, and to whom it has been transferred, and preservation of the records for a minimum period of two years. The kennel or dealer is responsible for making a reasonable attempt to ensure the accuracy of the data collected.

A payment from a dealer to a person from whom the dealer buys dogs or cats must be by check, payable only to that person. The check must contain the dealer's name and address.

Sec. 7. Minnesota Statutes 1986, section 347.37, is amended to read:

**347.37 [PUBLIC ACCESS; NOTICE; INSPECTION; ENFORCEMENT.]**

The board of animal health shall cause to be inspected from time to time all dog kennels and dealers licensed hereunder and all records required by sections 347.31 to 347.40 to be kept by the licensees.

Any duly authorized agent of the board, any sheriff, or sheriff's deputy, or police officer, or state humane agent appointed pursuant to section 343.01, is granted the power and the authority to enter upon the premises of any dog kennel or dealer at any time during the daylight hours for the purposes herein set forth, and for the purposes of inspecting the compliance with the provisions of sections 346.55, 347.31 to 347.40 and the rules issued pursuant thereto, and for the purposes of enforcing sections 346.55, or 347.31 to 347.40.

Each kennel and dealer shall post a conspicuous notice in a format no less than 24 by 36 inches and easily readable by the general public, that states: (1) that the person is a licensed kennel or dealer in dogs and cats; (2) that dogs and cats left with the kennel or dealer may be used for research purposes; and (3) the hours the kennel or dealer is open to the public. The notice must be placed in at least two locations on the premises, one of which must be on or near the exterior mail delivery point and one of which must be at the

regularly used point of exchange of dogs and cats. A person may view dogs and cats in the custody of a kennel or dealer during the time the premises is open to the public. Dealers and kennels are required to be open to the public on a regular basis at least four hours between 7:00 a.m. and 10:00 p.m. on at least four of the seven days of each week including at least one Saturday or Sunday. Any advertisement placed by a kennel or dealer seeking dogs or cats must inform the public that dogs and cats brought to the kennel or dealer may be used for research purposes.

Sec. 8. Minnesota Statutes 1986, section 347.38, is amended to read:

#### 347.38 [REVOCATION OF LICENSE.]

The board of animal health may as hereinafter set forth revoke or suspend the license of any person, firm, or corporation, for violation of sections 346.55 and 347.31 to 347.40 or the rules issued pursuant to sections 347.31 to 347.40.

Upon written complaint made to the board by any person, firm, or corporation alleging any violation of this law sections 347.31 to 347.40 or any rules pursuant thereto by any licensee, the board may cause an investigation to be made upon matters related in said complaint.

Thereupon the board shall in its discretion either dismiss the complaint or require the kennel or dealer against whom the complaint is made to correct the conditions or violations complained of within ten days after receipt of written notice of the same. If upon termination of the ten day period the licensee has failed to correct or to remedy the violation or violations of sections 346.55 or 347.31 to 347.40 or any rules pursuant thereto, or if the board considers it appropriate under the circumstances the board shall, upon a minimum of 30 days' notice to the licensee, conduct a hearing for the purpose of determining whether the license to operate a kennel or as a dealer should be revoked or temporarily suspended for a period not to exceed six months. If after notice and hearing the board finds that any provision of sections 346.55 or 347.31 to 347.40 has been violated by the licensee or any rule issued by the board has been violated by the licensee, the board may revoke and suspend the license. The suspension shall not exceed a period of six months possession or transfer of a dog or cat by a dealer to an institution, without the permission of the owner, failure of a dealer or kennel to keep accurate data as required in section 347.35, or failure of a dealer or kennel to permit access to its premises as required in section 347.37, is grounds for license revocation. The licensee whose license is revoked or suspended may within 20 days after the board's decision appeal to the district court. The district court shall upon 20 days' notice to the board hear the appeal within 45 days after the filing of the appeal. On the hearing of the appeal the court shall

review the decision of the board in a manner as though reviewed by certiorari, except that new or additional evidence may be taken, if in the opinion of the court additional evidence is necessary or proper to the disposition of the case.

Sec. 9. Minnesota Statutes 1986, section 347.39, is amended to read:

347.39 [PENALTIES.]

Violation of any provision of sections 347.31 to 347.40 or of any rule of the board of animal health issued pursuant to sections 347.31 to 347.40, or the operation of a kennel or as a dealer without a license, or ~~the operation of a kennel or as a dealer~~ after revocation of a license or during a period of suspension, shall constitute a misdemeanor.

Sec. 10. Minnesota Statutes 1986, section 347.40, is amended to read:

347.40 [EXCEPTIONS.]

Sections 347.31 to 347.40 shall in no way apply to any veterinarian licensed to practice in the state of Minnesota who keeps, congregates, or confines dogs or cats in the normal pursuit of the practice of veterinary medicine.

~~The provisions of sections 347.31 to 347.40 shall not apply to any institution licensed to obtain animals under the provisions of section 35.71, and to any person licensed under Public Law Number 89-544, the federal Laboratory Animal Welfare Act.~~

Sec. 11. [APPROPRIATION.]

There is appropriated from the general fund to the board of animal health the sum of \$..... for the purposes of this act for the biennium ending June 30, 1989.

Amend the title as follows:

Page 1, lines 3 and 4, delete "adding members to the board of animal health,"

Page 1, line 6, before "amending" insert "appropriating money;"

Page 1, line 7, delete "35.02, subdivision 1;"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 705, A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense to undergo chemical use assessment; imposing an assessment on persons convicted of DWI for the purpose of financing these assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, by adding a subdivision; 169.124; 169.125; and 169.126.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.121, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY ASSESSMENT.] When a court sentences a person convicted of violating this section or section 169.129, or convicted of another offense arising out of the circumstances surrounding the initial charge under this section or section 169.129, it shall impose a penalty assessment of \$75. This section applies when sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the penalty assessment in installments unless it makes written findings on the record that the convicted person is indigent or that the penalty assessment would create undue hardship for the convicted person or that person's immediate family.

The court shall collect and forward to the commissioner of finance the total amount of the penalty assessment and the commissioner shall credit the money to the drinking and driving repeat offense prevention account created in section 169.126, subdivision 4a.

The penalty assessment required under this section is in addition to the penalty assessment or surcharge required by section 609.101.

Sec. 2. Minnesota Statutes 1986, section 169.124, is amended to read:

169.124 [ALCOHOL SAFETY PROGRAM.]

Subdivision 1. [COUNTY BOARD.] The county board of every county having a population of more than 10,000 shall and the county board of every county having a population of less than 10,000 may establish an alcohol safety program designed to provide alcohol



problem ~~assessment~~ screening and evaluation of persons convicted of one of the offenses enumerated in section 169.126, subdivision 1.

Subd. 2. [PRELIMINARY SCREENING.] The A preliminary alcohol problem ~~assessment~~ screening shall be conducted under the direction of the court and by such persons or agencies as the court deems qualified to provide the alcohol problem ~~assessment~~ screening and ~~assessment~~ screening report as described in section 169.126. The alcohol problem ~~assessment~~ screening may be conducted by court services probation officers having the required knowledge and skills in the ~~assessment~~ screening of alcohol problems, by alcoholism counselors, by persons conducting court sponsored driver improvement clinics if in the judgment of the court such persons have the required knowledge and skills in the assessment of alcohol problems, by appropriate staff members of public or private alcohol treatment programs and agencies or mental health clinics, by court approved volunteer workers such as members of alcoholics anonymous, or by such other qualified persons as the court may direct. The commissioner of public safety shall provide the courts with information and assistance in establishing alcohol problem ~~assessment~~ screening programs suited to the needs of the area served by each court. The commissioner shall consult with the alcohol and other drug abuse section in the department of human services and with local community mental health boards in providing such information and assistance to the courts. The commissioner of public safety shall promulgate rules and standards, consistent with this subdivision, for reimbursement under the provisions of subdivision 3. The promulgation of such rules and standards shall not be subject to chapter 14.

Subd. 3. [COST.] The cost of alcohol problem ~~assessment~~ screening outlined in this section shall be borne by the county. Upon application by the county to the commissioner of public safety, the commissioner shall reimburse the county up to 50 percent of the cost of each alcohol problem ~~assessment~~ screening not to exceed \$25 in each case. Payments shall be made annually and prorated if insufficient funds are appropriated.

Sec. 3. Minnesota Statutes 1986, section 169.125, is amended to read:

#### 169.125 [COUNTY COOPERATION.]

County boards may enter into an agreement to establish a regional alcohol problem ~~assessment~~ screening alcohol safety program. County boards may contract with other counties and agencies for alcohol problem ~~assessment~~ screening services.

Sec. 4. Minnesota Statutes 1986, section 169.126, is amended to read:

## 169.126 [ALCOHOL PROBLEM ASSESSMENT SCREENING.]

Subdivision 1. [SCREENING REQUIREMENT.] An alcohol problem assessment screening shall be conducted in counties of more than 10,000 population and an assessment a screening report submitted to the court by the county agency administering the alcohol safety counseling program when:

(a) The defendant is convicted of an offense described in section 169.121; or

(b) The defendant is arrested for committing an offense described in section 169.121, is not convicted therefor, but is convicted of another offense arising out of the circumstances surrounding such arrest.

Subd. 2. [EVALUATION.] The assessment screening report shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic record, characteristics and history of alcohol problems, and amenability to rehabilitation through the alcohol safety program. The assessment screening report shall include a recommendation as to a treatment or rehabilitation program for the defendant. The assessment screening report shall be classified as private data on individuals as defined in section 13.02, subdivision 12.

Subd. 3. [REPORT PREPARATION.] The assessment screening report required by this section shall be prepared by a person knowledgeable in diagnosis of chemical dependency.

Subd. 4. [CHEMICAL USE ASSESSMENT.] The court shall give due consideration to the agency's assessment report (a) Except as otherwise provided in paragraph (d), when an alcohol problem screening shows that the defendant has an identifiable chemical use problem, the court shall require the defendant to undergo a comprehensive chemical use assessment conducted by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2. An appointment for the defendant to undergo the chemical use assessment shall be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The comprehensive chemical use assessment must be completed no later than two weeks after the appointment date.

(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in Minnesota Rules, parts 9530.6600 to 9530.6655. If a level of care is recommended, the court shall either require such care as a condition of probation or suspension of all or part of the sentence, or shall execute sentence.

(c) The state shall reimburse the county for the entire cost of each chemical use assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case. The county may not be reimbursed for the cost of any chemical use assessment or report not completed within the time limit provided in this subdivision. Reimbursement to the county must be made from the special account established in subdivision 4a.

(d) If the preliminary alcohol problem screening is conducted by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, consists of a comprehensive chemical use assessment of the defendant, and complies with the chemical use assessment report requirements of paragraph (b), it is a chemical use assessment for the purposes of this section and the court may not require the defendant to undergo a second chemical use assessment under paragraph (a). If the report recommends a level of care for the defendant, the court shall either require such care as a condition of probation or suspension of all or part of the sentence, or shall execute sentence. The state shall reimburse counties for the cost of alcohol problem screenings that qualify as chemical use assessments under this paragraph in the manner provided in paragraph (c) in lieu of the reimbursement provisions of section 169.124, subdivision 3.

Subd. 4a. [DRINKING AND DRIVING REPEAT OFFENSE PREVENTION ACCOUNT.] A special account is established in the state treasury known as the drinking and driving repeat offense prevention account. Money credited to the account is appropriated continuously to the commissioner of public safety and shall be spent by the commissioner to reimburse counties for the entire cost of each chemical use assessment and report completed within the time limit provided under subdivision 4, not more than \$100 in each case.

Subd. 4b. [EVALUATION.] The commissioner of public safety shall, with the assistance of the department of human services and the state planning agency, monitor and evaluate the implementation and effects of the alcohol safety programs required in sections 169.124 to 169.126 and shall submit a written report to the legislature by January 1, 1989, containing the commissioner's findings and recommendations.

Subd. 5. [EXCEPTION TO SCREENING OR ASSESSMENT.] Whenever a person is convicted of a second or subsequent offense described in subdivision 1 and the court is either provided with an appropriate treatment or rehabilitation recommendation from sources other than the alcohol problem screening or chemical use assessment provided for in this section, or has sufficient knowledge both of the person's need for treatment and an appropriate treatment or rehabilitation plan, and the court finds that requiring an alcohol problem screening or chemical use assessment would not

substantially aid the court in sentencing, such an alcohol problem screening or chemical use assessment need not be conducted.

Subd. 6. [APPLICABILITY.] This section shall not apply to persons who are not residents of the state of Minnesota at the time of the offense and at the time of the alcohol problem assessment screening.

Sec. 5. Minnesota Statutes 1986, section 260.193, subdivision 8, is amended to read:

Subd. 8. If the juvenile court finds that the child is a juvenile major highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and the parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until the child reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in the child's own home under conditions prescribed by the court including reasonable rules relating to operation and use of motor vehicles or boats directed to the correction of the child's driving habits;

(g) Require the child to pay a fine of up to \$700. The court shall order payment of the fine in accordance with a time payment

schedule which shall not impose an undue financial hardship on the child;

(h) If the court finds that the child committed an offense described in section 169.121, the court shall order that an alcohol problem screening be conducted and a screening report submitted to the court in the manner prescribed in section 169.126. Except as otherwise provided in section 169.126, subdivision 4, paragraph (d), if the alcohol problem screening shows that the child has an identifiable chemical use problem, the court shall require the child to undergo a comprehensive chemical use assessment in accordance with section 169.126, subdivision 4. If the chemical use assessment recommends a level of care for the child, the court shall require that level of care in its disposition order. In addition, the court may require any child ordered to undergo a chemical use assessment to pay a penalty assessment of \$75. The court shall forward the penalty assessment to the commissioner of finance to be credited to the special account created in section 169.126, subdivision 4a. The state shall reimburse counties for the total cost of the chemical use assessment in the manner provided in section 169.126, subdivision 4."

Amend the title as follows:

Page 1, line 3, after "offense" insert "and certain juveniles adjudicated for a DWI offense"

Page 1, line 4, delete "an" and insert "a penalty"

Page 1, line 5, after "DWT" insert "or a DWI-related offense, and juveniles adjudicated for a DWI offense"

Page 1, line 6, after "these" insert "chemical use"

Page 1, line 8, delete "and" and before the period insert "; and 260.193, subdivision 8"

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

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 716, A bill for an act relating to education; state university board; allowing a choice from among three low bidders in

capital projects; proposing coding for new law in Minnesota Statutes, chapter 136.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 136.142, is amended by adding a subdivision to read:

Subd. 1a. [LITIGATION PROCEEDS.] Notwithstanding other law to the contrary, the state university board may retain funds received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board shall be retained by the board to the credit of the account from which the litigation was originally funded.

Sec. 2. Minnesota Statutes 1986, section 136.24, is amended by adding a subdivision to read:

Subd. 3. [DIRECT PURCHASE OF EQUIPMENT.] The state university board may directly buy scientific and technical equipment and related supplies without complying with chapter 16B. In formulating procedures to administer this subdivision, the board must ensure that purchases are made through a competitive process and that practices are used that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.

Sec. 3. [136.27] [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 16B.09, the board must consider the documentation provided by the bidders regarding their qualifications including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall formulate procedures to administer this section which include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.

Sec. 4. [136.28] [STATE UNIVERSITY CONSTRUCTION.]

Subdivision 1. [FUNDING.] Notwithstanding any other law to the contrary, the state university board may accept money from nonstate sources if the money is dedicated to university building projects. The building projects may be built on state-owned land.

Subd. 2. [SUPERVISION.] Notwithstanding sections 16B.24, 16B.30, 16B.31, and other law to the contrary, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, enlargement, and repair and betterment of state university buildings and structures funded according to subdivision 1. The state university board shall advertise for bids and award the contracts, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Subd. 3. [LAND PURCHASE.] (a) Notwithstanding section 16B.04 or other law to the contrary, the state university board may buy land as it determines necessary for the effective management of the system and its programs.

(b) The board shall make written request to the department of administration, real estate management division, indicating the need to buy property, specifying the property to be bought, and indicating the source and sufficiency of money needed for the acquisition.

(c) The real estate management division shall proceed with acquisition as follows:

(1) The title to the property shall be examined by an attorney for the division, whereupon a field title report shall be prepared by the division based on information from the owner or a representative of the owner. The purpose and nature of the acquisition shall be explained to the owner at the time of the field title interview. If there are occupied buildings involved, a relocation study shall be made to ensure that those displaced can be relocated without undue hardship.

(2) A legal description of the property shall be written. If necessary, a written engineering assessment shall be obtained from the state architect's office.

(3) The property to be acquired shall be appraised. The appraiser shall be selected by the director or the assistant director and may be a state employee or a fee appraiser selected from a list of qualified fee appraisers maintained by the division. The fee to be paid to the appraiser shall be as agreed upon between the appraiser and the director or the assistant director.

(4) The appraisal shall be reviewed by members of the division staff. Where the appraisal is deemed satisfactory, the appraisal amount that is deemed to represent value, and damages, where applicable, shall be certified by the director or the assistant director.

(5) Instruments appropriate for the acquisition shall be requested from the attorney general's office.

(6) A direct purchase offer shall be submitted to the property owner. If possible and practical, the offer shall be submitted in person. A detailed explanation of the state's acquisition policies and of the owner's options shall be made to the owner, including, where applicable, a full explanation of relocation benefits available to the owner.

(7) If the owner accepts the offer, the property shall be bought. The division shall be responsible for proper execution of instruments, the closing of the transaction, the recording of instruments, the payment to the owner, relocation assistance to the owner, and removal of buildings, if applicable.

Subd. 4. [LAND TRADE.] Notwithstanding chapter 16B or other law to the contrary, the state university board may trade land owned by the state but under the control of the board for real property of equal or greater value as it determines necessary for the management of its property or programs. The procedure for the trade must follow that determined for the board acquisition of real property in subdivision 3.

Subd. 5. [LEGISLATIVE CONSULTATION.] Before taking action under subdivision 2, 3, or 4, the state university board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action."

Delete the title and insert:

"A bill for an act relating to education; appropriating funds from litigation to the state university board; authorizing the board to directly purchase equipment; clarifying that the state university board may consider the qualifications of bidders in capital project awards; allowing the board to receive nonstate funds for building on state land and to control bidding, contract awards, and construction; authorizing the board to buy land; requiring the real estate management division of the department of administration to perform certain duties; authorizing the board to trade state land; requiring legislative consultation before the board proceeds with construction, land purchases, or trades; amending Minnesota Statutes 1986, sections 136.142, by adding a subdivision; 136.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 136."

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

The report was adopted.



Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 755, A bill for an act relating to the metropolitan government; authorizing municipalities in the metropolitan area to adopt ordinances related to aircraft noise; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Page 1, line 20, after "buildings" insert "in and around the noise zone"

Page 1, delete line 25

Page 2, delete lines 1 and 2

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

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 765, A bill for an act relating to human services; mandating a comprehensive system of mental health services; amending Minnesota Statutes 1986, sections 245.713, subdivision 2; 256B.19, subdivision 1, and by adding a subdivision; 256D.03, subdivision 4; 256D.06, subdivisions 3 and 6; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.06, by adding a subdivision; 256E.07, by adding a subdivision; and 256E.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.69, subdivision 1a; 245.713, subdivisions 1 and 3; 245.73; and 256E.12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [245.461] [POLICY AND CITATION.]

Subdivision 1. [CITATION.] Sections 1 to 25 may be cited as the "Minnesota comprehensive mental health act."

Subd. 2. [MISSION STATEMENT.] The commissioner shall create and ensure a unified, accountable, comprehensive mental health service system that:

(1) recognizes the right of people with mental illness to control their own lives as fully as possible;

(2) promotes the independence and safety of people with mental illness;

(3) reduces chronicity of mental illness;

(4) reduces abuse of people with mental illness;

(5) provides services designed to:

(i) increase the level of functioning of people with mental illness or restore them to a previously held higher level of functioning;

(ii) stabilize individuals with mental illness;

(iii) prevent the development and deepening of mental illness;

(iv) support and assist individuals in resolving emotional problems that impede their functioning;

(v) promote higher and more satisfying levels of emotional functioning; and

(vi) promote sound mental health; and

(6) provides a quality of service that is effective, efficient, appropriate, and consistent with contemporary professional standards in the field of mental health.

Subd. 3. [REPORT.] By February 15, 1988, and annually after that until February 15, 1990, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 1 to 25 and on additional resources needed to further implement those sections.

## Sec. 2. [245.462] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 1 to 25.

Subd. 2. [ACUTE CARE HOSPITAL INPATIENT TREATMENT.] "Acute care hospital inpatient treatment" means short-term medical, nursing, and psychosocial services provided in an acute care hospital licensed under chapter 144.

Subd. 3. [CASE MANAGEMENT ACTIVITIES.] "Case management activities" means activities that are part of the community

support services program as defined in subdivision 6 and are designed to help people with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management activities include obtaining a diagnostic assessment, developing an individual community support plan, referring the person to needed mental health and other services, coordinating services, and monitoring the delivery of services.

Subd. 4. [CASE MANAGER.] "Case manager" means an individual authorized by the county board to provide case management activities as part of a community support services program. A case manager must be qualified at the mental health practitioner level, skilled in the process of identifying and assessing a wide range of client needs, and knowledgeable about local community resources and how to use those resources for the benefit of the client.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help people with serious and persistent mental illness to function and remain in the community. A community support services program includes case management activities provided to persons with serious and persistent mental illness, client outreach, medication management, assistance in independent living skills, development of employability and supportive work opportunities, crisis assistance, psychosocial rehabilitation, help in applying for government benefits, and the development, identification, and monitoring of living arrangements.

Subd. 7. [COUNTY BOARD.] "County board" means the county board of commissioners or board established pursuant to the joint powers act, section 471.59, or the human services board act, sections 402.01 to 402.10.

Subd. 8. [DAY TREATMENT SERVICES.] "Day treatment services" means a structured program of intensive therapeutic and rehabilitative services at least one day a week for a minimum three-hour time block that is provided within a group setting by a multidisciplinary staff under the clinical supervision of a mental health professional. Day treatment services are not a part of inpatient or residential treatment services, but may be part of a community support services program.

Subd. 9. [DIAGNOSTIC ASSESSMENT.] "Diagnostic assessment" means a written summary of the history, diagnosis, strengths,

vulnerabilities, and general service needs of a person with mental illness using diagnostic, interview, and other relevant mental health techniques provided by a mental health professional used in developing an individual treatment plan or individual community support plan.

Subd. 10. [EDUCATION AND PREVENTION SERVICES.] "Education and prevention services" means services designed to educate the general public or special high-risk target populations about mental illness, to increase the understanding and acceptance of problems associated with mental illness, to increase people's awareness of the availability of resources and services, and to improve people's skills in dealing with high-risk situations known to affect people's mental health and functioning.

Subd. 11. [EMERGENCY SERVICES.] "Emergency services" means an immediate response service available on a 24-hour, seven-day-a-week basis for persons having a psychiatric crisis or emergency.

Subd. 12. [INDIVIDUAL COMMUNITY SUPPORT PLAN.] "Individual community support plan" means a written plan developed by a case manager on the basis of a diagnostic assessment. The plan identifies specific services needed by a person with serious and persistent mental illness to develop independence or improved functioning in daily living, health and medication management, social functioning, interpersonal relationships, financial management, housing, transportation, and employment.

Subd. 13. [INDIVIDUAL PLACEMENT AGREEMENT.] "Individual placement agreement" means a written agreement or supplement to a service contract entered into between the county board and a service provider on behalf of an individual client to provide residential treatment services.

Subd. 14. [INDIVIDUAL TREATMENT PLAN.] "Individual treatment plan" means a written plan of intervention, treatment, and services for a person with mental illness that is developed by a service provider under the clinical supervision of a mental health professional on the basis of a diagnostic assessment. The plan identifies goals and objectives of treatment, treatment strategy, a schedule for accomplishing treatment goals and objectives, and the individual responsible for providing treatment to the person with mental illness.

Subd. 15. [LOCAL MENTAL HEALTH PROPOSAL.] "Local mental health proposal" means the proposal developed by the county board, reviewed by the commissioner, and described in section 18.

Subd. 16. [MENTAL HEALTH FUND.] "Mental health fund" means the state appropriation made to carry out sections 1 to 25 and

the mental health share of Minnesota's allocation under title XX and United States Code, title 42, sections 300X to 300X-9, as described in section 19.

Subd. 17. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to persons with mental illness who is qualified in at least one of the following ways:

(1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university, and has 2,000 hours of supervised experience in the delivery of services to persons with mental illness;

(2) has 6,000 hours of supervised experience in the delivery of services to persons with mental illness;

(3) is a graduate student in one of the behavioral sciences or related fields formally assigned to an agency or facility for clinical training by an accredited college or university;

(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university with less than 4,000 hours post-master's experience in the treatment of mental illness; or

(5) for purposes of case management only, has education or supervised experience less than in clauses (1) to (4) but receives 40 hours of training before assuming duties as a mental health practitioner and receives weekly face-to-face supervision regarding the provision of services to persons with mental illness from the mental health professional supervising the community support program.

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse with a master's degree in one of the behavioral sciences or related fields from an accredited college or university or its equivalent, who is licensed under sections 148.171 to 148.285, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness.

Subd. 19. [MENTAL HEALTH SERVICES.] "Mental health services" means all of the treatment services and management activities that are provided to persons with mental illness and are described in sections 8 to 16.

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) A "person with acute mental illness" means a person who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of sections 1 to 25, a "person with serious and persistent mental illness" means a person who has a mental illness and meets at least one of the following criteria:

(1) The person has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months.

(2) The person has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months.

(3) The person has had a history of recurring inpatient or residential treatment episodes of a frequency described in clause (1) or (2), but not within the preceding 24 months. There must also be a written opinion of a mental health professional stating that the

person is reasonably likely to have future episodes requiring inpatient or residential treatment unless an ongoing community support services program is provided.

Subd. 21. [OUTPATIENT SERVICES.] "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional to persons with a mental illness who live outside a hospital or residential treatment setting. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Subd. 22. [REGIONAL TREATMENT CENTER INPATIENT SERVICES.] "Regional treatment center inpatient services" means the medical, nursing, or psychosocial services provided in a regional treatment center operated by the state.

Subd. 23. [RESIDENTIAL TREATMENT.] "Residential treatment" means a 24-hour-a-day residential program under the clinical supervision of a mental health professional, other than an acute care hospital or regional treatment center, which must be licensed as a residential treatment facility for mentally ill persons under Minnesota Rules, parts 9520.0500 to 9520.0690 for adults, 9545.0900 to 9545.1090 for children, or other rule adopted by the commissioner.

Subd. 24. [SERVICE PROVIDER.] "Service provider" means either a county board or an individual or agency including a regional treatment center under contract with the county board that provides mental health services funded by sections 1 to 25.

Subd. 25. [CLINICAL SUPERVISION.] "Clinical supervision," when referring to the responsibilities of a mental health professional, means the oversight responsibility of a mental health professional for individual treatment plans, service delivery, and program activities. Clinical supervision may be accomplished by full or part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and evidence of input into service delivery and program development.

Sec. 3. [245.463] [PLANNING FOR A MENTAL HEALTH SYSTEM.]

Subdivision 1. [PLANNING EFFORT.] Starting on the effective date of sections 1 to 25 and ending June 30, 1988, the commissioner and the county agencies shall plan for the development of a unified, accountable, and comprehensive statewide mental health system. The system must be planned and developed by stages until it is operating at full capacity.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall provide ongoing technical assistance to county boards to develop local mental health proposals as specified in section 18, to improve system capacity and quality. The commissioner and county boards shall exchange information as needed about the numbers of persons with mental illness residing in the county and extent of existing treatment components locally available to serve the needs of those persons. County boards shall cooperate with the commissioner in obtaining necessary planning information upon request.

Sec. 4. [245.464] [COORDINATION OF MENTAL HEALTH SYSTEM.]

Subdivision 1. [MENTAL HEALTH FUND.] Effective July 1, 1988, a mental health fund is established under the supervision of the commissioner. The commissioner shall use the mental health fund to help county boards develop, maintain, and fund affordable and locally available mental health services in accordance with sections 1 to 25 and local mental health service proposals approved by the commissioner.

Subd. 2. [SUPERVISION.] The commissioner shall supervise the development and coordination of locally available mental health services by the county boards in a manner consistent with sections 1 to 25. The commissioner shall coordinate locally available services with those services available from the regional treatment center serving the area. The commissioner shall review local mental health service proposals developed by county boards as specified in section 18, allocate mental health funds to county boards according to section 19, and provide technical assistance to county boards in developing and maintaining locally available mental health services. The commissioner shall monitor the county board's progress in developing its full system capacity and quality through ongoing review of the county board's mental health proposals, quarterly reports, and other information as required by sections 1 to 25.

Subd. 3. [PRIORITIES.] By January 1, 1990, the commissioner shall require that each of the treatment services and management activities described in sections 8 to 16 are developed for persons with mental illness within available resources based on the following ranked priorities:

- (1) the provision of locally available emergency services;
- (2) the provision of locally available services to all persons with serious and persistent mental illness and all persons with acute mental illness;
- (3) the provision of specialized services regionally available to meet the special needs of all persons with serious and persistent mental illness and all persons with acute mental illness;



(4) the provision of locally available services to persons with other mental illness; and

(5) the provision of education and preventive mental health services targeted at high-risk populations.

Sec. 5. [245.465] [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of the mental health fund allocated by the commissioner according to a biennial local mental health service proposal approved by the commissioner. The county board must:

(1) develop and coordinate a system of affordable and locally available mental health services in accordance with sections 6 to 14;

(2) provide for case management services to persons with serious and persistent mental illness in accordance with section 15;

(3) provide for screening of persons specified in section 16 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center; and

(4) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 1 to 25.

Sec. 6. [245.466] [LOCAL SERVICE DELIVERY SYSTEM.]

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board in each county is responsible for using the mental health fund to develop and coordinate a system of locally available and affordable mental health services. The county board may provide some or all of the mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full implementation of sections 1 to 25 during the period July 1, 1987 to January 1, 1990. County boards must develop fully each of the treatment services and management activities prescribed by sections 1 to 25 by January 1, 1990, according to the priorities established in section 4 and local mental health services proposal approved by the commissioner under section 18.

Subd. 2. [MENTAL HEALTH SERVICES.] The mental health service system developed by each county board must include the following treatment services:

- (1) education and prevention services in accordance with section 8;
- (2) emergency services in accordance with section 9;
- (3) outpatient services in accordance with section 10;
- (4) community support program services in accordance with sections 11 and 15;
- (5) residential treatment services in accordance with section 12;
- (6) acute care hospital inpatient treatment services in accordance with section 13; and
- (7) regional treatment center inpatient services in accordance with section 14.

Subd. 3. [LOCAL CONTRACTS.] Effective January 1, 1988, the county board shall review all proposed county agreements, grants, or other contracts related to mental health services for funding from any local, state, or federal governmental sources. Contracts with service providers must:

- (1) name the commissioner as a third party beneficiary;
- (2) identify monitoring and evaluation procedures not in violation of the Minnesota government data practices act, chapter 13, which are necessary to ensure effective delivery of quality services;
- (3) include a provision that makes payments conditional on compliance by the contractor and all subcontractors with sections 1 to 25 and all other applicable laws, rules, and standards; and
- (4) require financial controls and auditing procedures.

Subd. 4. [JOINT COUNTY MENTAL HEALTH AGREEMENTS.] In order to provide efficiently the services required by sections 1 to 25, counties are encouraged to join with one or more county boards to establish a multicounty local mental health authority pursuant to the joint powers act, section 471.59, the human service board act, sections 402.01 to 402.10, community mental health center provisions, section 245.62, or enter into multicounty mental health agreements. Participating county boards shall establish acceptable ways of apportioning the cost of the services.

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish a local mental health advisory council or mental health subcommittee of an existing advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of a person with mental illness, one mental health professional, and one community support services program representative. The local mental health advisory council or mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local advisory council or mental health subcommittee of an existing advisory council shall arrange for input from the regional treatment center review board regarding coordination of care between the regional treatment center and community-based services. The county board shall consider the advice of its local mental health advisory council or mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Subd. 6. [OTHER LOCAL AUTHORITY.] The county board may establish procedures and policies that are not contrary to those of the commissioner or sections 1 to 25 regarding local mental health services and facilities. The county board shall perform other acts necessary to carry out sections 1 to 25.

Sec. 7. [245.467] [QUALITY OF SERVICES.]

Subdivision 1. [CRITERIA.] Mental health services required by this chapter must be:

- (1) based, when feasible, on research findings;
- (2) based on individual clinical needs, cultural and ethnic needs, and other special needs of individuals being served;
- (3) provided in the most appropriate, least restrictive setting available to the county board;
- (4) accessible to all age groups;
- (5) delivered in a manner that provides accountability;
- (6) provided by qualified individuals as required in this chapter;
- (7) coordinated with mental health services offered by other providers; and
- (8) provided under conditions which protect the rights and dignity of the individuals being served.

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All providers of residential, acute care hospital inpatient and regional treatment centers must complete a diagnostic assessment for each of their clients within five days of admission. Providers of outpatient and day treatment services must complete a diagnostic assessment within ten days of admission. In cases where a diagnostic assessment is available and has been completed within 90 days preceding admission, only updating is necessary.

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient, residential, acute care hospital inpatient and all regional treatment centers must develop an individual treatment plan for each of their clients. The individual treatment plan must be based on a diagnostic assessment. To the extent possible, the client shall be involved in all phases of developing and implementing the individual treatment plan. The individual treatment plan must be developed within ten days of client intake and reviewed every 90 days thereafter.

Sec. 8. [245.468] [EDUCATION AND PREVENTION SERVICES.]

By July 1, 1988, county boards must provide or contract for education and prevention services to persons residing in the county. Education and prevention services must be designed to:

(1) convey information regarding mental illness and treatment resources to the general public or special high-risk target groups;

(2) increase understanding and acceptance of problems associated with mental illness;

(3) improve people's skills in dealing with high-risk situations known to have an impact on people's mental health functioning; and

(4) prevent development or deepening of mental illness.

Sec. 9. [245.469] [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] By July 1, 1988, county boards must provide or contract for enough emergency services within the county to meet the needs of persons in the county who are experiencing an emotional crisis or mental illness. Clients may be required to pay a fee based on their ability to pay. Emergency services must include assessment, intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of people with mental illness or emotional crises;

(2) minimize further deterioration of people with mental illness or emotional crises;

(3) help people with mental illness or emotional crises to obtain ongoing care and treatment; and

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services provide immediate direct access to mental health professionals during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who is under the supervision of a mental health professional. Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for consultation within 30 minutes.

Sec. 10. [245.470] [OUTPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF OUTPATIENT SERVICES.] By July 1, 1988, county boards must provide or contract for enough outpatient services within the county to meet the needs of persons with mental illness residing in the county. Clients may be required to pay a fee based on their ability to pay. Outpatient services include:

(1) conducting diagnostic assessments;

(2) conducting psychological testing;

(3) developing or modifying individual treatment plans;

(4) making referrals and recommending placements as appropriate;

(5) treating a person's mental health needs through therapy;

(6) prescribing and managing medication; and

(7) preventing placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of outpatient services:

(1) meet the professional qualifications contained in sections 1 to 25;

(2) use a multidisciplinary mental health professional staff including at a minimum, arrangements for psychiatric consultation, licensed consulting psychologist consultation, and other necessary multidisciplinary mental health professionals;

(3) develop individual treatment plans;

(4) provide initial appointments within three weeks, except in emergencies where there must be immediate access as described in section 9; and

(5) establish fee schedules approved by the county board that are based on a client's ability to pay.

Sec. 11. [245.471] [COMMUNITY SUPPORT SERVICES PROGRAM.]

Subdivision 1. [AVAILABILITY OF COMMUNITY SUPPORT SERVICES PROGRAM.] By July 1, 1988, county boards must provide or contract for sufficient community support services within the county to meet the needs of persons with serious and persistent mental illness residing in the county. Clients may be required to pay a fee. The county board shall require that all service providers of community support services set fee schedules approved by the county board which are based on the client's ability to pay. The community support services program must be designed to improve the ability of persons with serious and persistent mental illness to:

(1) work in a regular or supported work environment;

(2) handle basic activities of daily living;

(3) participate in leisure time activities;

(4) set goals and plans;

(5) obtain and maintain appropriate living arrangements; and

(6) reduce the use of more intensive, costly, or restrictive placements both in number of admissions and lengths of stay as determined by client need.

Subd. 2. [CASE MANAGEMENT ACTIVITIES.] (a) By January 1, 1989, case management activities must be developed as part of the community support program available to all persons with serious and persistent mental illness residing in the county. Staffing ratios must be sufficient to serve the needs of the clients. The case

manager must at a minimum qualify as a mental health practitioner.

(b) All providers of case management activities must develop an individual community support plan. The individual community support plan must state for each of their clients:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face client contacts, as appropriate to client need and the implementation of the community support plan.

The individual community support plan must incorporate the individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed every 90 days after it is developed. The case manager is responsible for developing the individual community support plan based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the person with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual community support plan.

Subd. 3. [DAY TREATMENT ACTIVITIES PROVIDED.] (a) By July 1, 1989, day treatment activities must be developed as a part of the community support program available to persons with serious and persistent mental illness residing in the county. Day treatment services must be available to persons with serious and persistent mental illness residing in the county as part of the community support program of each county. Clients may be required to pay a fee. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide family and community support;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need; and

(4) establish fee schedules approved by the county board that are based on a client's ability to pay.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support program for clients who would otherwise need day treatment services;

(2) that day treatment, if included, would be duplicative of other components of the community support program; and

(3) that county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 4. [BENEFITS ASSISTANCE.] By July 1, 1988, help in applying for federal benefits, including supplemental security income, medical assistance, and Medicare, must be offered as a part of the community support program available to individuals with serious and persistent mental illness for whom the county is financially responsible and who may qualify for these benefits. The county board must offer help in applying for federal benefits to all persons with serious and persistent mental illness.

#### Sec. 12. [245.472] [RESIDENTIAL TREATMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] By July 1, 1988, county boards must provide or contract for enough residential treatment services to meet the needs of all persons with mental illness residing in the county. Residential treatment services include both intensive and structured residential treatment with length of stay based on client residential treatment need. Services must be as close to the county as possible. Residential treatment must be designed to:

(1) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs;

(2) help clients achieve the highest level of independent living;

(3) help clients gain the necessary skills to be referred to a community support services program or outpatient services; and

(4) stabilize crisis admissions.

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of residential services must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional.

#### Sec. 13. [245.473] [ACUTE CARE HOSPITAL INPATIENT SERVICES.]



Subdivision 1. [AVAILABILITY OF ACUTE CARE INPATIENT SERVICES.] By July 1, 1988, county boards must make available through contract or direct provision enough acute care hospital inpatient treatment services as close to the county as possible to meet the needs of persons with mental illness residing in the county. Acute care hospital inpatient treatment services must be designed to:

(1) stabilize the medical condition of people with acute or serious and persistent mental illness;

(2) improve functioning; and

(3) facilitate appropriate referrals, follow-up, and placements.

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of acute care hospital inpatient services must meet applicable standards established by the commissioner of health.

Sec. 14. [245.474] [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to people with mental illness throughout the state. Regional treatment centers are responsible to:

(1) stabilize the medical condition of the person with mental illness;

(2) improve functioning;

(3) strengthen family and community support; and

(4) facilitate appropriate discharge, aftercare, and follow-up placements in the community.

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all mentally ill patients served by regional treatment centers by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based

on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

**Sec. 15. [245.475] [COUNTY RESPONSIBILITY TO PROVIDE COMMUNITY SUPPORT SERVICES.]**

Subdivision 1. [CLIENT ELIGIBILITY.] The county board shall provide case management and other appropriate community support services to all persons with serious and persistent mental illness. Persons who qualify for general assistance or general assistance medical care under chapter 256D and who apply to the county board for services under this section or section 16 shall have their case management and community support services funded through the mental health fund if neither third party, medical assistance, nor client fees are available to cover the cost of service. Case management services provided to people with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under section 28.

Subd. 2. [DESIGNATION OF CASE MANAGER.] The county board shall designate a case manager within five working days after receiving an application for community support services or immediately after authorizing payment for residential, acute care hospital inpatient, or regional treatment center services under section 16.

The county board shall send a written notice to the applicant and the applicant's representative, if any, that identifies the designated case manager.

Subd. 3. [DIAGNOSTIC ASSESSMENT.] The case manager shall promptly arrange for a diagnostic assessment of the applicant when one is not available as described in section 7, subdivision 2, to determine the applicant's eligibility as a person with serious and persistent mental illness for community support services. The county board shall notify in writing the applicant and the applicant's representative, if any, if the applicant is determined ineligible for community support services.

Subd. 4. [COMMUNITY SUPPORT SERVICES.] Upon a determination of eligibility for community support services, the case manager shall develop an individual community support plan as specified in section 11, subdivision 2, paragraph (b), arrange and authorize payment for appropriate community support services, review the client's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

**Sec. 16. [245.476] [SCREENING FOR INPATIENT AND RESIDENTIAL TREATMENT.]**

Subdivision 1. [CLIENT ELIGIBILITY.] The county board shall pay the cost of residential and acute care hospital inpatient services determined by the county board to be necessary under subdivision 2 to all persons with mental illness who apply to the county board for services under this section and qualify for general assistance, general assistance medical care, and Minnesota supplemental aid under chapter 256D, except for those persons who are eligible for medical assistance coverage of inpatient hospital services under chapter 256B.

Subd. 2. [SCREENING REQUIRED.] By January 1, 1989, the county board shall screen all persons before they may be admitted for treatment of mental illness to a residential treatment facility, an acute care hospital inpatient, or informally admitted to a regional treatment center if the mental health fund, medical assistance, or the regional treatment center account is used to pay for the services. Screening prior to admission must occur within ten days. If a person is admitted for treatment of mental illness on an emergency basis to a residential facility or acute care hospital or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five days of the admission. Persons must be screened within ten days before or within five days after admission to ensure that: (1) an admission is necessary, (2) the length of stay is as short as possible consistent with individual client need, and (3) a case manager is immediately assigned to individuals with serious and persistent mental illness and an individual community support plan is developed. A county board representative authorized to approve the use of the mental health fund must be involved in the placement decision when the mental health professional conducting the screening is not a county employee authorized to approve the use of the mental health fund. The screening process and placement decision must be documented.

Subd. 3. [QUALIFICATIONS.] Screening for residential and inpatient services must be conducted by a mental health professional. Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with any acute care inpatient hospital, residential treatment facility, or regional treatment center.

Subd. 4. [INDIVIDUAL PLACEMENT AGREEMENT.] The county board shall enter into an individual placement agreement with a provider of residential services to a person eligible for services under this section. The agreement must specify the payment rate and terms and conditions of county payment for the placement.

#### Sec. 17. [245.477] [APPEALS.]

Any person whose application for mental health services under section 15 or 16 is denied, not acted upon with reasonable prompt-

ness, or whose services are suspended, reduced, or terminated may contest that action before the state agency as specified in section 256.045.

Sec. 18. [245.478] [LOCAL MENTAL HEALTH PROPOSAL.]

Subdivision 1. [TIME PERIOD.] The first local mental health proposal period is from July 1, 1988, to December 31, 1989. The county board shall submit its first proposal to the commissioner by January 1, 1988. Subsequent proposals must be on the same two-year cycle as community social service plans required by section 256E.09. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner.

Subd. 2. [PROPOSAL CONTENT.] The local mental health proposal must include:

(1) the local mental health advisory council's or mental health subcommittee of an existing advisory council's report on unmet needs and any other needs assessment used by the county board in preparing the local mental health proposal;

(2) a description of the local mental health advisory council's or the mental health subcommittee of an existing advisory council's involvement in preparing the local mental health proposal and methods used by the county board to obtain participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services listed in sections 8 to 16, and actual expenditures and revenues for each mental health service;

(4) for the first proposal period only, information for the year during which the proposal is being prepared:

(i) a description of the current mental health system identifying each mental health service listed in sections 8 to 16;

(ii) a description of each service provider, including a listing of the professional qualifications of the staff involved in service delivery, that is either the sole provider of one of the treatment services or management activities described in sections 8 to 16 or that provides over \$10,000 of mental health services per year;

(iii) a description of how the mental health services in the county are unified and coordinated;

(iv) the estimated number of clients receiving each mental health service;

(v) estimated expenditures and revenues for each mental health service; and

(5) the following information describing how the county board intends to meet the requirements of sections 1 to 25 during the proposal period:

(i) specific objectives and outcome goals for each mental health service listed in sections 8 to 16;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the treatment services or management activities described in sections 8 to 16 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery;

(iii) a description of how the mental health services in the county will be unified and coordinated;

(iv) the estimated number of clients who will receive each mental health service; and

(v) estimated expenditures and revenues for each mental health service.

Subd. 3. [PROPOSAL FORMAT.] The local mental health proposal must be made in a format prescribed by the commissioner.

Subd. 4. [PROVIDER APPROVAL.] The commissioner's review of the local mental health proposal must include a review of the qualifications of each service provider required to be identified in the local mental health proposal under subdivision 2. The commissioner may reject a county board's proposal for a particular provider if:

(1) the provider does not meet the professional qualifications contained in sections 1 to 25;

(2) the provider does not possess adequate fiscal stability or controls to provide the proposed services as determined by the commissioner; or

(3) the provider is not in compliance with other applicable state laws or rules.

Subd. 5. [SERVICE APPROVAL.] The commissioner's review of the local mental health proposal must include a review of the appropriateness of the amounts and types of mental health services in the local mental health proposal. The commissioner may reject the county board's proposal if the commissioner determines that the amount and types of services proposed are not cost effective, do not meet client needs, or do not comply with sections 1 to 25.

Subd. 6. [PROPOSAL APPROVAL.] The commissioner shall review each local mental health proposal within 90 days and work with the county board to make any necessary modifications to comply with sections 1 to 25. After the commissioner has approved the proposal, the county board is eligible to receive an allocation from the mental health fund as described in section 19.

Subd. 7. [PARTIAL OR CONDITIONAL APPROVAL.] If the local mental health proposal is in substantial, but not in full compliance with sections 1 to 25 and necessary modifications cannot be made before the proposal period begins, the commissioner may grant partial or conditional approval and withhold a proportional share of the county board's mental health fund allocation until full compliance is achieved.

Subd. 8. [AWARD NOTICE.] Upon approval of the county board proposal, the commissioner shall send a notice of approval for funding. The notice must specify any conditions of funding and is binding on the county board. Failure of the county board to comply with the approved proposal and funding conditions may result in withholding or repayment of funds as specified in section 21.

Subd. 9. [PLAN AMENDMENT.] If the county board finds it necessary to make significant changes in the approved local proposal, it must present the proposed changes to the commissioner for approval at least 60 days before the changes take effect. "Significant changes" means:

(1) the county board proposes to provide a mental health service through a provider other than the provider listed for that service in the approved local proposal;

(2) the county board expects the total annual expenditures for any single mental health service to vary more than ten percent from the amount in the approved local proposal;

(3) the county board expects a combination of changes in expenditures per mental health service to exceed more than ten percent of the total mental health services expenditures; or

(4) the county board proposes a major change in the specific objectives and outcome goals listed in the approved local proposal.

## Sec. 19. [245.479] [MENTAL HEALTH FUND.]

Subdivision 1. [DEFINITION.] For purposes of this section, "net cost" means the county board's expenditures for services to persons with mental illness, less all offsetting credits other than the mental health fund itself. These offsetting credits include refunds, cancellations, third-party fees, recoveries and similar funds, and state and federal funds other than the mental health fund. These offsetting credits do not include state equalization aid or county board tax dollars. "Net cost" does not include the county share for medical assistance or for inpatient treatment at a state regional treatment center. County expenditures for facilities for emotionally disturbed children licensed under Minnesota Rules, parts 9545.0900 to 9545.1090, are considered expenditures for services to persons with mental illness.

Subd. 2. [PAYMENT LIMITS.] Payments to each county from the mental health fund are limited to the lesser of:

(1) 75 percent of the county's net cost as defined in subdivision 1 and as described in the approved local proposal; or

(2) the total allocated under subdivisions 4 to 7.

Subd. 3. [TIME PERIOD FOR ALLOCATIONS.] The first allocations from the mental health fund must be for the six-month period July 1 to December 31, 1988. Later allocations must be on a calendar year basis.

Subd. 4. [BASE LEVEL ALLOCATIONS.] Each county's annual allocation from the mental health fund must include an amount at least equal to the sum of the following amounts for persons with mental illness who were the financial responsibility of the county board:

(1) the state funds expended by or for the county board under Minnesota Statutes 1986, sections 245.73 and 256E.12 in fiscal year 1987, with the exclusion of grants made for special one-time projects, the exclusion of grants for programs closed in 1987 and 1988, and with the addition of an annualized equivalent of grants made for new programs opening in 1987 or 1988;

(2) the federal mental health block grant funds allocated for the county board under Minnesota Statutes 1986, section 245.713, subdivision 1, in calendar year 1987;

(3) the state funds expended by or for the county board under Minnesota Statutes 1986, sections 256D.06 and 256D.37, for negotiated rates for adults with mental illness in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 in fiscal year 1987,

minus funds expended for facilities closed in 1987 or 1988, plus an annualized equivalent for new facilities approved by the commissioner to open in 1987 or 1988;

(4) the state funds expended by or for the county board under Minnesota Statutes 1986, section 256D.03, for mental health services excluding drugs provided in fiscal year 1986, under the general assistance medical care program; and

(5) 20 percent of the county board's community social services allocation under Minnesota Statutes 1986, section 256E.06 for calendar year 1987.

Subd. 5. [TITLE XX ALLOCATION.] In addition to the allocation under subdivision 4, 20 percent of each county's title XX allocation under section 256E.07 is designated for mental health and is considered a part of the mental health fund.

Subd. 6. [ALLOCATION OF INCREASED FUNDS.] If the state-wide total available for allocation under this section is more than the amount in subdivision 4 and the reserve fund in subdivision 7, the increased funds must be distributed on the basis of the number of persons residing in each county as determined by the most recent data of the state demographer.

Subd. 7. [RESERVE FUND.] The commissioner shall set aside up to five percent of each mental health fund appropriation for a reserve fund. In addition, the reserve fund must include funds returned from counties under section 22. The commissioner shall make allocations from the reserve fund on the following criteria:

(1) the approved local proposal must show that the county board's allocation under subdivisions 4 to 6 will be less than 70 percent of the county board's net cost, or the county board provides new information showing that an unexpected increase in the need or cost of mental health services will result in the county board's mental health fund allocation falling below 70 percent of the county board's net cost;

(2) based on past performance, the county board must demonstrate ability to use funds in a cost-effective way to provide quality services;

(3) the county board and its contractors must use third-party fees, appropriate client fees, and other alternate funds wherever reasonably possible; and

(4) the county board has chosen services and vendors that are cost effective and appropriate to client needs.



Subd. 8. [PAYMENTS TO COUNTY BOARDS.] After the commissioner has approved an allocation from the mental health fund, payments must be on a quarterly basis. Each payment must include the estimated mental health fund share for the current quarter and an adjustment based on the actual mental health fund share for the preceding quarter. The commissioner shall make a payment only after receiving a completed expenditure report for the preceding quarter.

Subd. 9. [MAINTENANCE OF EFFORT.] If the county board's share of the net costs, as determined under subdivision 2, is less than the base level in subdivision 10, the state payment which would otherwise be made under subdivision 2 must be reduced by an amount equal to one-half of the reduction in county tax dollars.

Subd. 10. [COUNTY TAX DOLLARS BASE LEVEL.] The base level of county tax dollars for mental health services for each county includes the total expenditures shown in the county's approved 1987 Community Social Services Act plan under "State CSSA, Title XX and County Tax" for services to persons with mental illness:

(1) plus the total for Rule 5 facilities under target populations other than mental illness in the approved 1987 CSSA plan,

(2) minus the county share for regional treatment center services as identified in the approved 1987 CSSA plan for services to persons with mental illness,

(3) minus 20 percent of the county's state CSSA and title XX allocation for calendar year 1987,

(4) plus the county match for the general assistance, Minnesota supplemental aid, and general assistance medical care state funds, as identified in subdivision 4.

Subd. 11. [COUNTY OF FINANCIAL RESPONSIBILITY.] For purposes of section 16, the county of financial responsibility is the same as that for community social services under section 256E.08, subdivision 7. Disputes between counties regarding financial responsibility must be resolved by the commissioner in accordance with section 256D.18, subdivision 4.

## Sec. 20. [245.481] [TRANSFER OF FUNDS.]

Subdivision 1. [BETWEEN APPROPRIATIONS.] To establish the mental health fund, the appropriations for fiscal year 1989 must include a transfer of funds into the mental health fund from the appropriations under sections 256D.03, 256D.06, 256D.37, and 256E.06; and Minnesota Statutes 1986, sections 245.73 and 256E.12. The amount transferred must be based on the statewide

total of the base level amounts identified from these appropriations for each county under section 19, subdivision 4. The commissioner may adjust the transfers in the appropriation bill for fiscal year 1989 if new data regarding the base level amounts demonstrates that a different proportion of the affected appropriation is being used for services to persons with mental illness. The amount transferred must include an adjustment to reflect relevant legislative changes in each appropriation from the base period to fiscal year 1989.

Subd. 2. [CSSA AND GAMC TRANSFER.] One-fourth of the annual amounts that would otherwise be transferred under subdivision 1 from the appropriations for community social services and general assistance medical care must be retained by those appropriations to pay for obligations from the preceding fiscal year. The remaining transfer to the mental health fund must be completed in fiscal year 1990.

Subd. 3. [BETWEEN FISCAL YEARS.] Funds appropriated to the commissioner for mental health services for fiscal year 1988 are available for expenditure in fiscal year 1989.

Subd. 4. [LATER APPROPRIATIONS.] Each appropriation for the mental health fund after fiscal year 1989 shall include an increase at least equal to the projected increase in overall national consumer prices as determined by the commissioner of finance.

Subd. 5. [TRANSFER OF INCREASED SHARE OF INPATIENT COSTS.] At the beginning of fiscal year 1990 and each later year, the commissioner shall:

(1) estimate the total receipts from counties for mental health inpatient services under sections 246.54 and 256B.19;

(2) subtract from the total receipts in clause (1) an estimate of what the receipts would have been under Minnesota Statutes 1986, sections 246.54 and 256B.19; and

(3) transfer state funds equal to the increased receipts calculated in clause (2) from the medical assistance account to the mental health fund appropriation. The transfer shall increase the amount otherwise available for allocation to counties under section 19, subdivision 6. Allocations from this transfer are not subject to the maintenance of effort requirements in section 19, subdivision 9.

Sec. 21. [245.482] [REPORTING AND EVALUATION.]

Subdivision 1. [FISCAL REPORTS.] The commissioner shall develop a unified format for quarterly fiscal reports that will include information that the commissioner determines necessary to carry out sections 1 to 25 and section 256E.08. The county board shall

submit a completed fiscal report in the required format no later than 15 days after the end of each quarter.

Subd. 2. [PROGRAM REPORTS.] The commissioner shall develop a unified format for a semiannual program report that will include information that the commissioner determines necessary to carry out sections 1 to 25 and section 256E.10. The county board shall submit a completed program report in the required format no later than 75 days after each six-month period.

Subd. 3. [PROVIDER REPORTS.] The commissioner may develop a format and procedures for direct reporting from providers to the commissioner to include information that the commissioner determines necessary to carry out sections 1 to 25. In particular, the provider reports must include aggregate information by county of residence about mental health services paid for by funding sources other than counties.

Subd. 4. [INACCURATE OR INCOMPLETE REPORTS.] The commissioner shall promptly notify a county or provider if a required report is clearly inaccurate or incomplete. The commissioner may delay all or part of a mental health fund payment if an appropriately completed report is not received as required by this section.

Subd. 5. [STATEWIDE EVALUATION.] The commissioner shall use the county and provider reports required by this section to complete the statewide report required in section 1.

Sec. 22. [245.483] [TERMINATION OR RETURN OF AN ALLOCATION.]

Subdivision 1. [FUNDS NOT NEEDED.] If the commissioner determines that funds are not needed to carry out an approved local proposal, or that a county board's projected expenditures will not be sufficient to qualify for its entire mental health fund allocation, and if the county board agrees the funds are not needed, the county board shall immediately return the unneeded funds. County board agreement is not needed when the county's final expenditure report for the year indicates that the county's actual expenditures were not sufficient to qualify for its entire mental health fund allocation.

Subd. 2. [FUNDS NOT PROPERLY USED.] If the commissioner determines that a county is not meeting the requirements of sections 1 to 25 or that funds are not being used according to the approved local proposal, all or part of the mental health fund allocation may be terminated upon 30 days notice to the county board. The commissioner may require repayment of any funds not used according to the approved local proposal. If the commissioner receives a written appeal from the county board within the 30-day period, opportunity for a hearing under the Minnesota administra-

tive procedure act, chapter 14, must be provided before the allocation is terminated or is required to be repaid. The 30-day period begins when the county board receives the commissioner's notice by certified mail.

Subd. 3. [USE OF RETURNED FUNDS.] The commissioner may reallocate the funds returned under subdivision 1 or 2 through the reserve fund under section 19, subdivision 7.

Subd. 4. [DELAYED PAYMENTS.] If the commissioner finds that a county board or its contractors are not in compliance with the approved local proposal or sections 1 to 25, the commissioner may delay all or part of the quarterly mental health fund payment until the county board and its contractors meet the requirements. The commissioner shall not delay a payment longer than three months without first issuing a notice under subdivision 2 that all or part of the allocation will be terminated or required to be repaid. After this notice is issued, the commissioner may continue to delay the payment until completion of the hearing in subdivision 2.

Subd. 5. [STATE ASSUMPTION OF RESPONSIBILITY.] If the commissioner determines that services required by sections 1 to 25 will not be provided by the county board in the manner or to the extent required by sections 1 to 25, the commissioner shall contract directly with providers to ensure that clients receive appropriate services. In this case, the commissioner shall use the county board's mental health fund allocation to the extent necessary to carry out the county's responsibilities under sections 1 to 25. In addition, the commissioner shall transfer from the county's community social service allocation under Minnesota Statutes 1986, section 256E.06, an amount equal to the county match which would otherwise have been required by sections 1 to 25. The commissioner shall work with the county board to allow for a return of authority and responsibility to the county board as soon as compliance with sections 1 to 25 can be assured.

Sec. 23. [245.484] [RULES.]

The commissioner shall adopt permanent rules as necessary to carry out this act.

Sec. 24. [245.485] [NO RIGHT OF ACTION.]

Sections 1 to 23 do not independently establish a right of action on behalf of recipients of services or service providers against a county board or the commissioner. A claim for monetary damages must be brought under section 3.736 or 3.751.

Sec. 25. [LIMITED APPROPRIATIONS.]

Nothing in sections 1 to 24 shall be construed to require the commissioner or county boards to fund services beyond the limits of legislative appropriations.

Sec. 26. Minnesota Statutes 1986, section 245.713, subdivision 2, is amended to read:

Subd. 2. [TOTAL FUNDS AVAILABLE; REDUCTIONS ALLOCATION.] The amount of funds available for allocation to counties for use by qualified community mental health centers shall be the total amount of Funds granted to the state by the federal government under United States Code, title 42, sections 300X to 300X-9 each federal fiscal year for mental health services reduced by the sum of the following shall be allocated as follows:

(a) Any amount set aside by the commissioner of human services for Indian ~~tribal~~ organizations within the state, which funds shall not duplicate any direct federal funding of Indian ~~tribal~~ organizations and which funds shall ~~not exceed 12~~ be at least 25 percent of the total ~~block grant~~ federal allocation to the state for mental health services; provided that sufficient applications for funding are received by the commissioner which meet the specifications contained in requests for proposals and, money from this source may be used for special committees to advise the commissioner on mental health programs and services for American Indians and other minorities or underserved groups; and, For purposes of this subdivision, "Indian organization" means an Indian tribe or band or an organization providing mental health services which is legally incorporated as a nonprofit organization registered with the secretary of state and governed by a board of directors having at least a majority of Indian directors.

(b) Any amount calculated into the base of the block grant that is made available by the commissioner for qualified community mental health centers that were receiving grants for operations or other continuing grant obligations defined in United States Code, title 42, sections 300X to 300X-9 immediately prior to its enactment.

(e) An amount not to exceed ten percent of the total allocation for mental health services to be retained by the commissioner for administration.

~~(d)~~ (c) Any amount permitted under federal law which the commissioner approves for demonstration or research projects for severely disturbed children and adolescents, the underserved, special populations or multiply disabled mentally ill persons. The groups to be served, the extent and nature of services to be provided, the amount and duration of any grant awards are to be based on criteria set forth in the Alcohol, Drug Abuse and Mental Health Block Grant Law, United States Code, title 42, sections 300X to 300X-9, and on state policies and procedures determined necessary by the commis-

sioner. Grant recipients must comply with applicable state and federal requirements and demonstrate fiscal and program management capabilities that will result in provision of quality, cost-effective services.

(e) (d) The amount required under federal law, for federally mandated expenditures.

(e) An amount not to exceed ten percent of the total allocation for mental health services to be retained by the commissioner for planning and evaluation.

Sec. 27. Minnesota Statutes 1986, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treat-

ment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and X-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for

antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act;

(12) Diagnostic, screening, and preventive services;

(13) Health care prepayment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:



(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) To the extent authorized by rule of the state agency, case management services to persons with serious and persistent mental illness; and

(19) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under Laws 1986, chapter 394, sections 8 to 20. The commissioner shall include chemical dependency services in the state medical assis-

tance plan for federal reporting purposes, but payment must be made under Laws 1986, chapter 394, sections 8 to 20.

Sec. 28. Minnesota Statutes 1986, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8. The rates payable under this section must be calculated according to section 256.966, subdivision 2.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to

remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical 5 payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under Laws 1986, chapter 394, sections 8 to 20, must not be reimbursed under general assistance medical care.

(f) Mental health services that are reimbursed under the mental health fund, sections 1 to 25, must not be reimbursed under general assistance medical care.

Sec. 29. Minnesota Statutes 1986, section 256D.06, subdivision 3, is amended to read:

Subd. 3. When a general assistance grant is used to pay a negotiated rate for a recipient living in a room and board arrangement or congregate living care, or when a recipient is living in a state hospital ~~or~~, nursing home, or facility for adults with mental illness licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, the recipient shall receive an allowance for clothing and personal needs and the allowance shall not be less than that authorized for a medical assistance recipient pursuant to section 256B.35.

Sec. 30. Minnesota Statutes 1986, section 256D.06, subdivision 6, is amended to read:

Subd. 6. General assistance funds may be paid to cover the cost of room and board needs of for persons who are eligible for general assistance and who are placed by the county in a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, except for adults with mental illness in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.

Sec. 31. Minnesota Statutes 1986, section 256D.37, subdivision 1, is amended to read:

Subdivision 1. (a) For all individuals who apply to the appropriate local agency for supplemental aid, the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program.

(b) When a recipient is an adult with mental illness in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, a resident of a state hospital or a dwelling with a negotiated rate, the recipient is not eligible for a shelter standard, a basic needs standard, or for special needs payments. The state standard of assistance for those recipients is the clothing and personal needs allowance for medical assistance recipients under section 256B.35. Minnesota supplemental aid may be paid to negotiated rate facilities at the rates in effect on March 1, 1985, for services provided under the supplemental aid program to residents of the facility, up to the maximum negotiated rate specified in this section. The rate for room and board for a licensed facility must not exceed \$800. The maximum negotiated rate does not apply to a facility that, on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and Minnesota supplemental aid may not

be used to pay a negotiated rate for adults with mental illness in a facility licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. The following facilities are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until June 30, 1987:

(1) a facility that only provides services to persons with mental retardation; and

(2) a facility not certified to participate in the medical assistance program that is licensed as a boarding care facility as of March 1, 1985, and only provides care to persons aged 65 or older. Beginning July 1, 1987, these facilities are subject to applicable supplemental aid limits, and mental retardation facilities must meet all applicable licensing and reimbursement requirements for programs for persons with mental retardation. The negotiated rates may be paid for persons who are placed by the local agency or who elect to reside in a room and board facility or a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, provided the local agency agrees that this care is needed by the person. When Minnesota supplemental aid is used to pay a negotiated rate, the rate payable to the facility must not exceed the rate paid by an individual not receiving Minnesota supplemental aid. To receive payment for a negotiated rate, the dwelling must comply with applicable laws and rules establishing standards necessary for health, safety, and licensure. The negotiated rate must be adjusted by the annual percentage change in the urban consumer price index (CPI-U) for Minneapolis-St. Paul as published by the Bureau of Labor Statistics between the previous two Octobers, new series index (1967-100). In computing the amount of supplemental aid under this section, the local agency shall deduct from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program, except that the earned income disregard for disabled persons who are not residents of long-term care facilities shall must be the same as the earned income disregard available to disabled persons in the supplemental security income program, and all actual work expenses shall must be deducted when determining the amount of income for the individual. From ~~and~~ after the first of the month in which an effective application is filed, the state and the county shall share responsibility for the payment of the supplemental aid to which the individual is entitled under this section as provided in section 256D.36.

Sec. 32. Minnesota Statutes 1986, section 256E.03, subdivision 2, is amended to read:

Subd. 2. "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities pre-

scribed in section 256E.08, subdivision 1 to the following groups of persons:

(a) families with children under age 18, who are experiencing child dependency, neglect or abuse, and also pregnant adolescents, adolescent parents under the age of 18, and their children;

(b) persons who are under the guardianship of the commissioner of human services as dependent and neglected wards;

(c) adults who are in need of protection and vulnerable as defined in section 626.557;

(d) persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

(e) ~~emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;~~

(f) persons with mental retardation as defined in section 252A.02, subdivision 2, or with related conditions as defined in section 252.27, subdivision 1, who are unable to provide for their own needs or to independently engage in ordinary community activities;

(g) ~~(f)~~ drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs;

~~(h)~~ (g) parents whose income is at or below 70 percent of the state median income and who are in need of child care services in order to secure or retain employment or to obtain the training or education necessary to secure employment; and

(h) other groups of persons who, in the judgment of the county board, are in need of social services.

Community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145.911 to 145.922.

Sec. 33. Minnesota Statutes 1986, section 256E.06, is amended by adding a subdivision to read:

Subd. 2b. [CALCULATION OF PREVIOUS YEAR'S ALLOCATION.] For allocations during the first year after the effective date of the mental health fund under section 19, the previous year's

allocation under subdivision 2 must be adjusted to exclude the mental health share of the state community social services allocation, as defined in section 19.

Sec. 34. Minnesota Statutes 1986, section 256E.07, is amended by adding a subdivision to read:

Subd. 1c. [MENTAL HEALTH ALLOCATION.] Twenty percent of each county's title XX allocation under subdivisions 1 to 1b is designated for services to persons with mental illness and is considered a part of the mental health fund under section 19.

Sec. 35. Minnesota Statutes 1986, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services for chronically mentally ill persons. The commissioner shall promulgate emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping chronically mentally ill persons remain and function in their own communities. The commissioner shall report to the legislature no later than January 15, 1983 on the effectiveness of the experimental program and shall make recommendations regarding making this program an integral part of the social development programs administered by counties. The experimental program shall expire no later than June 30, 1987 1988.

Sec. 36. [REPEALER.]

Minnesota Statutes 1986, section 245.69, subdivision 1a, is repealed effective immediately on final enactment. Minnesota Statutes 1986, sections 245.713, subdivisions 1 and 3; 245.73; and 256E.12, are repealed effective July 1, 1988.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 14, 17 and 18, 23 to 26, and 35 are effective immediately upon final enactment. Sections 15 and 16, 19 to 22, and 27 to 34 are effective July 1, 1988.

Delete the title and insert:

"A bill for an act relating to human services; mandating a comprehensive system of mental health services; amending Minnesota Statutes 1986, sections 245.713, subdivision 2; 256B.02, subdivision 8; 256D.03, subdivision 4; 256D.06, subdivisions 3 and 6;

256D.37, subdivision 1; 256E.03, subdivision 2; 256E.06, by adding a subdivision; 256E.07, by adding a subdivision; and 256E.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.69, subdivision 1a; 245.713, subdivisions 1 and 3; 245.73; and 256E.12."

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

The report was adopted.

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

H. F. No. 772, A bill for an act relating to retirement; establishing a voluntary retirement plan for certain qualified employees of public and private ambulance services; proposing coding for new law as Minnesota Statutes, chapter 353A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [353A.01] [LEGISLATIVE FINDINGS.]

The legislature finds that retirement plans for ambulance service personnel are presently inadequate and that a workable type of defined contribution plan for ambulance service personnel involving voluntary participation by ambulance service personnel and ambulance service would prove beneficial in attracting and retaining competent personnel and would probably result in net savings to ambulance services through reduced training expenses. The legislature also finds that portability and maximum state and federal tax exemptions are essential features of any plan.

Sec. 2. [353A.02] [AMBULANCE SERVICE PERSONNEL RETIREMENT PLAN.]

Subdivision 1. [ESTABLISHMENT.] There is established an ambulance service personnel retirement plan, to be administered by the public employees retirement association under supervision of the association board of directors. To assist the board in governing the operations of the plan, an advisory committee of not more than seven members who are representative of private and governmental ambulance service operators, and ambulance service personnel may be established.

Subd. 2. [PERSONNEL ELIGIBLE FOR COVERAGE.] Coverage under the retirement plan shall be open to the basic and advanced



life support emergency medical service personnel of any public or privately operated ambulance service that elects to participate. Emergency medical service personnel who are currently covered by a public or private pension plan because of their emergency medical services employment or their provision of emergency medical services and first response personnel are not eligible to participate in the plan.

Sec. 3. [353A.03] [ELECTION OF COVERAGE.]

Each public or private ambulance service with eligible personnel has the option of electing participation for the ambulance service in the plan. Coverage for an ambulance service, once elected, shall not thereafter be discontinued. Eligible ambulance service personnel have an option to participate or decline participation if the service elects coverage. An individual election to participate must be made within 30 days of the ambulance service's choosing coverage or within 30 days of first employment by or first joining the ambulance service, whichever is later. An individual election is irrevocable thereafter during the person's continuation of employment or membership in the ambulance service.

Sec. 4. [353A.04] [FUNDING OF PLAN.]

Funding of benefits under the plan shall be provided by a public or private ambulance service that elects to participate, except that qualified personnel who are paid salaries for their services may elect to make a member contribution in an amount not to exceed the ambulance service contribution. Ambulance service contributions on behalf of salaried employees shall be a fixed percentage of salary. In the case of ambulance services utilizing volunteer or largely uncompensated personnel, the ambulance service may assign a unit value for each call or each period of alert duty for the purpose of computing ambulance service contributions.

Sec. 5. [353A.05] [CONTRIBUTIONS TO PLAN.]

Ambulance service contributions to the plan may be made from any source of funds available to the ambulance service. Contributions shall be remitted monthly to the association together with any made contributions paid or withheld during the preceding month. Contributions shall be credited to the individual account of each participating ambulance service member.

Sec. 6. [353A.06] [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Ambulance service contributions after the deduction of an amount for administrative expenses and member contributions shall be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17.

Subd. 2. [INVESTMENT OPTIONS.] A participant may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, or the common stock index account established in section 11A.17. The participant may elect to participate in one or more of the investment accounts in the fund by specifying the percentage of contributions to be used to purchase shares in each of the accounts.

Twice in any calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. Thereafter, until a different written indication is made by the participant, the executive director of the association shall purchase shares in the supplemental investment fund as selected by the participant. If no initial option is chosen, 100 percent income shares shall be purchased for a participant.

A change in choice of investment option shall be effective no later than the first pay date first occurring after 30 days following the receipt of the request for a change.

Twice in any calendar year, a participant or former participant may also change the investment options selected for all or a portion of the participant's shares previously purchased. However, if a partial transfer is made, a minimum of \$500 must be transferred and a minimum balance of \$500 must remain in the previously selected investment option. A change is restricted to a transfer from one or more accounts to a single account. Changes in investment options for the participant's shares shall be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

Subd. 3. [ADMINISTRATIVE EXPENSES.] An amount for administrative expenses, not to exceed two percent of the dollar amount of an ambulance service contribution, as established annually by the executive director of the public employees retirement association, shall be deducted from each ambulance service contribution made in order to defray the expenses of the public employees retirement association in administering the plan.

#### Sec. 7. [353A.07] [REPORTING BY AMBULANCE SERVICES.]

The executive director of the public employees retirement association shall prescribe the form of monthly and any other reports required from an ambulance service and the election forms required from ambulance service members. Ambulance service forms shall contain names, identification numbers, amount of contribution by and on behalf of each member, and such other data as is required to keep an accurate account of the account value of each participating ambulance service member.

## Sec. 8. [353A.08] [BENEFITS.]

Subdivision 1. [TYPE OF PLAN; UNIFORMITY.] The plan is a defined contribution plan where the benefits payable upon retirement, death, or withdrawal when permitted, are determined by the value of accumulated contributions plus a proportionate share of investment income of the fund credited to each individual account. Each ambulance service shall determine eligibility for participation subject to terms of this act. Eligibility standards shall be uniform among all ambulance service personnel of an ambulance service electing to participate.

Subd. 2. [AGE; VESTING.] Normal retirement age is 50 years. Early retirement is not allowed. Sixty months of service credit are required for the vesting of retirement benefits. No minimum period of service is required for vesting of death benefits. Withdrawal of or a retirement benefit based on employee contributions plus accrued investment income, if any, shall vest immediately. Upon completion of 60 months of service under the plan with one or more ambulance services, a participant terminating active service prior to age 50 shall be entitled to receive the value of the ambulance service member's individual account upon or after attaining age 50. An application by or on behalf of the ambulance service member shall be filed prior to the payment of any benefit.

Subd. 3. [FORM OF BENEFIT.] A retirement benefit shall be payable in a lump sum equal to the value of a participant's account at the date of retirement and may be rolled over into another qualified plan at the option of the member. As an alternative to a lump sum distribution, the member may choose to have the association use the total account value to purchase an annuity payable at a designated age from an insurance company licensed to do business in the state.

Subd. 4. [DISABILITY OR DEATH.] No disability coverage shall be provided by the plan. In the event of the death of an active participant with any credited service or a deferred participant under age 50, the total value of the account shall be paid in a lump sum to the designated beneficiary or, if none, the heirs at law of the decedent.

Subd. 5. [FORFEITURES.] The account value of any participant terminating service prior to acquiring a vested interest or of a participant who dies leaving no designated beneficiary or heirs at law shall be returned to the public employees retirement association and credited against future ambulance service contributions by the applicable ambulance service or services after the expiration of two years from the date of termination or death.

## Sec. 9. [353A.09] [PORTABILITY.]

Qualified ambulance service personnel who change employment or membership among participating ambulance services may continue participation in the plan without penalty or forfeiture after their interest vests. Qualified ambulance service personnel who change employment or membership to nonparticipating ambulance service shall not be subject to the forfeiture provided for in subdivision 5.

Sec. 10. [353A.10] [TAX QUALIFICATION.]

The public employees retirement association shall adopt rules required for administration of the plan. The proposed plan shall be formulated and adopted in accordance with applicable restrictions and standards of the Internal Revenue Code and rulings and regulations of the Internal Revenue Service in order to assure the tax exempt status of the plan as a qualified pension plan. Contributions by ambulance service personnel and by private ambulance service operators shall only be accepted after approval by the Internal Revenue Service.

Sec. 11. [353A.11] [NOT CONSIDERED A LOCAL PLAN.]

The plan shall not be considered a local governmental pension plan or fund for purposes of section 356.25."

With the recommendation that when so amended the bill pass.

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 790, A bill for an act relating to human services; continuing funding for autopsies on deceased medical assistance recipients who were victims of Alzheimer's disease; appropriating money.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 804, A bill for an act relating to peace officers; providing money to train conservation officers employed by the commissioner

of natural resources; amending Minnesota Statutes 1986, section 609.101.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 34B, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraph paragraphs (b) and (c).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

(c) The county treasurer shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

Sec. 2. Minnesota Statutes 1986, section 609.101, is amended to read:

#### 609.101 [SURCHARGE ON FINES, ASSESSMENTS.]

When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and

when the sentence is suspended. The court may, upon a showing of indigency or undue hardship upon the convicted person or the person's immediate family, waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family; however, if the court waives payment or authorizes payment in installments, it shall state in writing on the record the reasons for its action.

Except for amounts imposed for violations of the game and fish laws and related laws, which are otherwise provided for in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessment or surcharge and the commissioner shall credit all money so forwarded to a crime victim and witness account, which is established as a special account in the state treasury.

Money credited to the crime victim and witness account may be appropriated for but is not limited to the following purposes:

(1) use for crime victim reparations under sections 611A.51 to 611A.68;

(2) use by the crime victim and witness advisory council established under section 611A.71; and

(3) to supplement the federally funded activities of the crime victim ombudsman under section 611A.74.

If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 3. Minnesota Statutes 1986, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for but not limited to the following purposes, among others:

(a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) Assessments related to violations described in section 97.49, subdivision 5, are appropriated to provide peace officer training for persons employed by the commissioner of natural resources who are licensed under section 626.84, subdivision 1, clause (e), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

#### Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1987.

Delete the title and insert:

"A bill for an act relating to peace officer training; providing money to train conservation officers employed by the commissioner of natural resources; amending Minnesota Statutes 1986, sections 97A.065, subdivision 2; 609.101; and 626.861, subdivision 4."

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

The report was adopted.

Beginch from the Committee on Labor-Management Relations to which was referred:

H. F. No. 823, A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [181.931] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] For the purpose of sections 1 to 5 the terms defined in this section have the meanings given them.

Subd. 2. [EMPLOYEE.] "Employee" means a person who performs services for hire in Minnesota for an employer. Employee does not include an independent contractor.

Subd. 3. [EMPLOYER.] "Employer" means any person having one or more employees in Minnesota and includes the state and any political subdivision of the state.

Sec. 2. [181.932] [DISCLOSURE OF INFORMATION BY EMPLOYEES.]

Subdivision 1. [PROHIBITED ACTION.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or

(c) the employee refuses to participate in any activity that the employee, in good faith, believes violates any state or federal law or rule or regulation adopted pursuant to law.

Subd. 2. [DISCLOSURE OF IDENTITY.] No public official or law enforcement official shall disclose, or cause to disclose, the identity of any employee making a report or providing information under subdivision 1 without the employee's consent unless the investigator determines that disclosure is necessary for prosecution. If the disclosure is necessary for prosecution, the employee shall be informed prior to the disclosure.

Subd. 3. [FALSE DISCLOSURES.] This section does not permit an employee to make statements or disclosures knowing that they are false or that they are in reckless disregard of the truth.

Subd. 4. [COLLECTIVE BARGAINING RIGHTS.] This section does not diminish or impair the rights of a person under any collective bargaining agreement.

Subd. 5. [CONFIDENTIAL INFORMATION.] This section does not permit disclosures that would violate federal or state law or diminish or impair the rights of any person to the continued protection of confidentiality of communications provided by common law.



## Sec. 3. [181.933] [NOTICE OF TERMINATION.]

Subdivision 1. [NOTICE REQUIRED.] An employee who has been involuntarily terminated may, within five working days following such termination, request in writing that the employer inform the employee of the reason for the termination. Within five working days following receipt of such request, an employer shall inform the terminated employee in writing of the truthful reason for the termination.

Subd. 2. [DEFAMATION ACTION PROHIBITED.] No communication of the statement furnished by the employer to the employee under subdivision 1 may be made the subject of any action for libel, slander, or defamation by the employee against the employer.

## Sec. 4. [181.934] [EMPLOYEE NOTICE.]

The department of labor and industry shall promulgate rules for notification of employees by employers of an employee's rights under sections 1 to 5.

## Sec. 5. [181.935] [INDIVIDUAL REMEDIES; PENALTY.]

(a) In addition to any remedies otherwise provided by law, an employee injured by a violation of section 2 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief as determined by the court.

(b) An employer who failed to notify, as required under section 3 or 4, an employee injured by a violation of section 2 is subject to a civil penalty of \$25 a day not to exceed \$750 per injured employee."

Delete the title and insert:

"A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 826, A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of regional recre-

ation open space lands by the metropolitan council and metropolitan area local government units; authorizing the issuance of state bonds; appropriating money.

Reported the same back with the following amendments:

Page 1, line 24, after the period insert:

“Sec. 3. [USE OF PROCEEDS.]”

Page 2, line 12, delete “3” and insert “4”

Page 2, line 13, delete “2” and insert “3”

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 827, A bill for an act relating to utilities; providing for initial and continuing education of public utilities commissioners; lengthening the time period for preparation for a hearing on territorial disputes; raising dollar limit on value of property that public utility may transfer without commission approval; amending Minnesota Statutes 1986, sections 216A.03, by adding subdivisions; 216B.43; and 216B.50, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 27, after “meetings” insert “held within this state”

Page 2, line 3, delete everything after the period

Page 2, delete line 4

Page 2, line 5, delete “meeting.”

Page 2, delete lines 16 to 18

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

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 829, A bill for an act relating to human services; establishing the office of assistant commissioner of mental health; establishing a state advisory council on mental health; creating a mental health division in the department of human services; amending Minnesota Statutes 1986, section 245.69; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 1, line 21, after "illness" insert "in both community programs and regional treatment centers"

Page 1, delete lines 26 and 27

Page 2, delete lines 1 to 7

Renumber the remaining clauses

Page 2, line 9, delete "psychiatric" and insert "mental health"

Page 2, line 18, delete "the commissioner deems necessary to carry out" and insert "directed by the legislature"

Page 2, line 19, delete everything before the semicolon

Page 3, delete lines 31 to 36 and insert:

"(3) one member of each of the four core mental health professional disciplines (psychiatry, psychology, social work, nursing);

(4) providers of mental health services;

(5) consumers of mental health services;

(6) family members of persons with mental illness;

(7) legislators;

(8) social service agency directors;

(9) county commissioners; and"

Page 4, delete lines 1 to 18

Page 4, line 19, delete everything before "as" and insert:

“(10) other members reflecting a broad range of community interests”

Pages 5 to 8, delete section 3

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete “245.69;”

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 836, A bill for an act relating to natural resources; revising the boundary of Lost River State Forest; amending Minnesota Statutes 1986, section 89.021, subdivision 59.

Reported the same back with the following amendments:

Page 3, line 6, delete “the north one-half” and insert “government lots 1 and 2”

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 839, A bill for an act relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points serving 50,000 telephones or more; increasing fee to cover service cost; amending Minnesota Statutes 1986, sections 403.02, subdivision 6, and by adding a subdivision; and 403.11, subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 22 to 25, delete the new language and insert:

"Minimum 911 service also includes the provision of automatic location identification if the public safety answering point has the capability of providing that service."

Page 2, delete section 3

Amend the title as follows:

Page 1, line 4, delete "serving 50,000"

Page 1, delete line 5

Page 1, line 6, delete "cost" and delete "sections" and insert "section"

Page 1, line 7, delete the semicolon and insert a period

Page 1, delete line 8

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 845, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain arbitration procedures for all automobile manufacturers doing business and offering express warranties on their vehicles sold in Minnesota; amending Minnesota Statutes 1986, section 325F.665.

Reported the same back with the following amendments:

Page 2, line 21, strike "procedure or"

Page 4, line 5, delete "shall have" and insert "has"

Page 5, line 32, delete "shall" and insert "does"

Page 6, line 26, delete "shall have" and insert "has"

Page 6, line 35, delete "shall" and insert "must"

Page 7, line 8, after "consumer" insert "as set forth in subdivision 3"

Page 8, line 8, strike "PROCEDURE" and insert "MECHANISM"

Page 8, line 14, strike "procedure" and insert "mechanism located in the state of Minnesota"

Page 8, line 19, strike "procedure" and insert "mechanism"

Page 8, line 21, delete "procedure" and insert "mechanism"

Page 8, line 23, strike "procedure" and delete "or"

Page 8, line 35, delete "mechanism from considering" and insert "consideration of"

Page 9, line 3, strike "procedure" and insert "mechanism"

Page 9, line 16, strike the comma

Page 9, lines 19 and 20, delete "procedure" and insert "mechanism's meeting"

Page 9, line 29, after "to" insert "appear and"

Page 9, line 30, after "presentation" insert "in the state of Minnesota"

Page 9, line 31, after "alone" insert "or by telephone"

Page 9, line 35, delete "shall" and insert "may"

Page 10, line 11, delete "shall" and insert "must"

Page 10, line 27, delete "procedure" and insert "mechanism"

Page 10, line 28, delete "shall" and insert "may"

Page 10, line 32, delete "procedure" and insert "mechanism"

Page 11, line 1, delete "procedure" and insert "mechanism" and delete "shall" and insert "must"

Page 11, line 4, delete "PROCEDURE" and insert "MECHANISM"

Page 11, lines 11 and 25, delete "procedure" and insert "mechanism"

Page 11, line 27, delete "that is"

Page 12, line 10, after "consumer" insert a semicolon

Page 12, line 11, after "that" insert a comma

Page 12, line 24, delete "shall" and insert "may"

Page 12, after line 25, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1987, and shall apply to all motor vehicles which are still under an express manufacturer's warranty and were originally delivered to the consumer during the previous one-year period."

Amend the title as follows:

Page 1, line 5, delete "procedures" and insert "mechanisms"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 859, A bill for an act relating to the department of finance; clarifying and correcting miscellaneous provisions to improve the administration of the department and of state government; appropriating money; amending Minnesota Statutes 1986, sections 3C.12, subdivision 2; 16A.06, by adding a subdivision; 16A.126, subdivision 2; 16A.127, subdivision 3; 16A.275; 16A.36, subdivision 2; 16A.41, subdivision 1; 16A.85, by adding a subdivision; and 116J.36, subdivision 6.

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

The report was adopted.

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

H. F. No. 866, A bill for an act relating to public safety; establishing the "McGruff" symbol as the sign for a safe house for children;

creating a safe house program; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reported the same back with the following amendments:

Page 1, line 16, delete “provide” and insert “make available”

Page 1, line 17, delete “all”

Page 1, line 21, after “(4)” insert “require local law enforcement agencies to”

Page 1, line 24, after the period insert “The background checks must include, but are not limited to, checks of the criminal history files maintained by the bureau of criminal apprehension.”

Page 1, delete line 25

Page 2, delete lines 1 to 4 and insert:

“Subd. 3. [DISPLAY OF SYMBOL.] A person may not display the “McGruff” symbol on the person’s house in a manner that is visible from the outside of the house unless approved as a safe house by a local law enforcement agency and the law enforcement agency supplies the symbol to the person. The symbol is the property of the law enforcement agency, and a person must return the symbol to the law enforcement agency if the agency determines that the house no longer qualifies as a “McGruff” house. Violation of this subdivision is a misdemeanor.”

Page 2, lines 5 and 6, delete “school districts and”

Amend the title as follows:

Page 1, line 4, after “program;” insert “providing penalties;”

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 886, A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding a subdivision;



40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivisions 2 and 3; 40.45; 84.943, subdivision 1; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; and 105.392, subdivisions 1, 2, 3, 4, 5, and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 40.41, is amended to read:

#### 40.41 [PURPOSE AND POLICY.]

It is the purposes of sections 40.41 to 40.45 to keep certain marginal agricultural land out of crop production or pasture to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters and drainage systems, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1986, section 40.42, subdivision 5, is amended to read:

Subd. 5. [LANDOWNER.] "Landowner" means a Minnesota resident who owns or is a buyer under a contract for deed, of land that qualifies as a family farm, a family farm corporation or an authorized farm corporation under section 500.24, subdivision 2 individuals, family farm, family farm corporations as defined under section 500.24, subdivision 2, paragraph (c), and authorized farm corporations as defined under section 500.24, subdivision 2, paragraph (d), which either own eligible land or are purchasing eligible land under a contract for deed.

Sec. 3. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 7. [WETLAND.] "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.

Sec. 4. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 8. [WINDBREAK.] "Windbreak" means a strip or belt of trees, shrubs, or grass barriers at least six rows deep and within 300 feet of the right-of-way of a highway.

Sec. 5. Minnesota Statutes 1986, section 40.43, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land, or is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description, or consists of a drained wetland, or is a windbreak. Cropland adjacent to the restored wetland may also be enrolled to the extent of up to four acres of cropland for each acre of wetland restored;

(2) was owned by the applicant landowner on January 1, 1985, or for an application made on or after January 1, 1988, was owned by the applicant landowner, or a parent or other blood relative of the landowner, for at least three years before the date of application;

(3) is at least five acres in size, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(4) is not set aside, enrolled or diverted under another federal or state government program; and

(5) was in agricultural crop production or pasture for at least two years during the period 1981 to 1985.

The eligible enrolled land of a landowner may not exceed 20 percent of the landowner's total agricultural land acreage in the state, if the landowner owns at least 200 acres of agricultural land as defined by section 500.24, subdivision 2. If a landowner owns less than 200 acres of agricultural land the amount that may be enrolled in the conservation reserve is:

(a) all agricultural land owned, if 20 acres or less; or

(b) if the total agricultural land owned is more than 20 acres but less than 200 acres, 20 acres plus ten percent of the balance of the agricultural land.

In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.

Sec. 6. Minnesota Statutes 1986, section 40.43, subdivision 5, is amended to read:

Subd. 5. [AGREEMENTS BY LANDOWNER.] The commissioner may enroll eligible land in the conservation reserve program by

signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the commissioner; or to plant trees or carry out other long-term capital improvements approved by the commissioner for soil and water conservation or wildlife management;

(3) to restore any drained wetland and to convey to the state a permanent easement for the wetland;

(4) that other land supporting natural vegetation owned or leased as part of the same farm operation during the term of the easement, if it supports natural vegetation or has not been used in agricultural crop production ~~or pasture~~, will not be converted to agricultural crop production or pasture; and

~~(4)~~ (5) to the enforcement of the terms of the easement and agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement.

Sec. 7. Minnesota Statutes 1986, section 40.43, subdivision 6, is amended to read:

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$100 per acre for perpetual easements;

(2) for the cost of planting trees required by the agreement, up to \$75 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for perpetual easements;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time ~~the~~ of easement is conveyed application; and

(4) for an easement of limited duration, 90 percent of the present value of the average of the ~~acceptable~~ accepted bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids ~~made immediately prior to when~~ accepted at the time of easement is conveyed. ~~If federal bid figures have not been determined for the area, or the federal program has been discontinued, the rate paid shall~~ application; or

(5) an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.

The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.

Sec. 8. Minnesota Statutes 1986, section 40.43, subdivision 7, is amended to read:

Subd. 7. [EASEMENT RENEWAL.] When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of not less than ten years may be acquired by agreement of the commissioner and the landowner, under the terms of this section. The commissioner may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Sec. 9. Minnesota Statutes 1986, section 40.44, subdivision 2, is amended to read:

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioners of agriculture and natural resources must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the commissioner on (1) the form and content of the conservation easement and agreement; and on; (2) forestry and agronomic practices; and (3) hydrologic and hydraulic design relating to the establishment and maintenance of permanent cover, or other conservation improvements. The commissioner of transportation must provide technical advice and assistance to the commissioners of agriculture and natural resources on the planting of windbreaks adjacent to highways. The commissioners of agriculture and natural resources shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Sec. 10. Minnesota Statutes 1986, section 40.44, subdivision 3, is amended to read:

Subd. 3. [SUPPLEMENTAL CONSERVATION PAYMENTS.] The commissioner may supplement ~~cost-share~~ payments made under ~~other federal land retirement programs; up to \$75 an acre; to the extent of available appropriations other than bond proceeds.~~ The supplemental ~~cost-share~~ payments must be used to establish perennial cover on land enrolled or increase payments for land enrollment in programs approved by the commissioner, including the federal conservation reserve program and federal and state waterbank programs program.

Sec. 11. Minnesota Statutes 1986, section 40.45, is amended to read:

#### 40.45 [RULEMAKING.]

The commissioner shall adopt rules ~~and is authorized to adopt to implement this program.~~ The emergency rules ~~in order to implement sections 40.41 to 40.45 adopted August 27, 1986, shall remain valid until permanent rules are established but not longer than December 31, 1987.~~ The rules must include standards for tree planting so that planting does not conflict with existing electrical lines, telephone lines, rights-of-way, or drainage ditches.

Sec. 12. Minnesota Statutes 1986, section 84.943, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota critical habitat private sector matching account is established as a separate account in the state ~~treasury~~ reinvest in Minnesota resources fund established under section 84.95. The account shall be administered by the commissioner of natural resources as provided in this section.

Sec. 13. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION CONSIDERATIONS.] In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 97.488;

(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

Based on the above clauses, the commissioner by order promulgated under section 97A.051, subdivision 3, must establish a process to prioritize what critical habitat shall be acquired or improved.

Sec. 14. Minnesota Statutes 1986, section 84.95, is amended by adding a subdivision to read:

Subd. 3. [WORK PLAN.] By February 1 of each year the commissioner of natural resources, in consultation with the commissioner of agriculture, must present a written work plan for expenditure of money from the reinvest in Minnesota resources fund for the next fiscal year to the senate and house committees on agriculture and environment and natural resources for their review and comment. Any recommendations to the commissioners by the committees must be returned to the commissioners by March 15. By April 30 of each year the commissioner must make the work plan, with any revisions, available to the public for comment. In so doing, the commissioner must hold at least three public meetings to inform the public of the work plan; one meeting to be held in the Twin Cities metropolitan area, the others at non-Twin Cities locations, one each in northern and southern Minnesota. By January 15 of each year, the commissioner must prepare a written progress report on projects undertaken and money encumbered during the fiscal year just ended, and must transmit the report to the above committees and make the report available to the public.

Sec. 15. [84.959] [FINDINGS.]

The legislature finds that native prairie is found primarily on marginal lands poorly suited to grain production and provides important wildlife, scientific, erosion control, educational, and recreational values.

Sec. 16. [84.96] [NATIVE PRAIRIE BANK.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a native prairie bank, determine where native prairie land is located in the state, and prescribe eligibility requirements for inclusion of land in the native prairie bank.

Subd. 2. [DEFINITION.] For the purposes of this section, "native prairie" means land that has never been plowed, with less than ten percent tree cover and with predominantly native prairie vegetation.

Subd. 3. [EASEMENT ACQUISITION.] (a) The commissioner may acquire native prairie for conservation purposes by entering into easements with landowners. The easements must be conservation easements as defined in section 84C.01, clause (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner.

(b) The easements may be permanent or of limited duration. Highest priority must be given to permanent easements consistent with the purposes of this section. Easements of limited duration must be for at least 20 years, with provision for renewal for at least another 20-year period. For easements of limited duration, the commissioner may reexamine and adjust the payment rates at the beginning of any renewal period after considering current land and crop values.

Subd. 4. [EASEMENT AGREEMENT.] (a) In the easement between the commissioner and an owner, the owner must agree:

(1) to place in the program for the period of the easement eligible native prairie areas designated by the owner, including prairie covered by a federal or state easement that allows agricultural use and desirable land adjacent to the prairie as determined by the commissioner;

(2) not to alter the native prairie by plowing, heavy grazing, seeding to nonnative grasses or legumes, spraying with large amounts of herbicides, or otherwise destroying the native prairie character of the easement area, except mowing the native prairie tract for wild hay may qualify for easement as determined by the commissioner;

(3) to implement the native prairie conservation and development plan as provided in the easement agreement, unless a requirement in the easement agreement is waived or modified by the commissioner;

(4) to forfeit all rights to further payments under the terms of the easement and to refund to the state all payments received under the easement if the easement is violated at any time when the owner has control of the land subject to the easement, if the commissioner determines that the violation warrants termination of the easement, or if the commissioner determines that the violation does not warrant termination of the easement, the commissioner may determine refunds or payment adjustments to be paid by the commissioner;

(5) not to adopt a practice specified by the commissioner in the easement as a practice that would tend to defeat the purposes of the easement; and

(6) to additional provisions included in the easement that the commissioner determines are desirable.

(b) In return for the easement of the owner, the commissioner shall make payments as provided in subdivision 5 and may provide advice on conservation and development practices on the native prairie in the easement and adjacent areas.

Subd. 5. [PAYMENTS.] (a) The commissioner must make payments to the landowner under this subdivision for the easement.

(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made.

(c) For an easement of limited duration, the landowner shall receive:

(1) a lump sum payment equal to the present value of the annual payments for the term of the easement; or

(2) an annual payment equal to 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.

Subd. 6. [RENEWAL.] An easement agreement may be renewed at the end of the agreement period for an additional period of 20 years by mutual agreement of the commissioner and the owner, subject to any rate redetermination by the commissioner.

Subd. 7. [EASEMENT RUNS WITH LAND.] If during the agreement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner must continue the agreement under the same terms or conditions.

Subd. 8. [MODIFICATION AND TERMINATION BY AGREEMENT.] The commissioner may terminate an easement agreement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest. The



commissioner may agree to modifications of agreements if the commissioner determines the modification is desirable to implement the native prairie program.

Subd. 9. [RULES.] The commissioner of natural resources may adopt rules that include the procedures and payment rates to implement this section.

Sec. 17. Minnesota Statutes 1986, section 105.391, subdivision 3, is amended to read:

Subd. 3. Except as provided below, no public waters or wetlands shall be drained, and no permit authorizing drainage of public waters or wetlands shall be issued, unless the public waters or wetlands being drained are replaced by public waters or wetlands which that will have equal or greater public value. However, after a state waterbank program has been established, Wetlands which are eligible for inclusion in that program, the drainage of which is lawful, feasible, and practical and would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not elect, within 60 days of the receipt of an application for a permit to drain the wetlands, to either (1) place the wetlands in the state waterbank program under section 105.392, or (2) acquire it in fee pursuant to section 97A.145, or (3) indemnify the landowner through any other appropriate means, including but not limited to conservation restrictions, easements, leases, or any applicable federal program. The applicant, if not offered a choice of the above alternatives, is entitled to drain the wetlands involved.

In addition, the owner or owners of lands underlying wetlands situated on privately owned lands may apply to the commissioner for a permit to drain the wetlands at any time after the expiration of ten years following the original designation thereof. Upon receipt of an application, the commissioner shall review the current status and conditions of the wetlands. If the commissioner finds that the current status or conditions are such that it appears likely that the economic or other benefits to the owner or owners which would result from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit. If the application is denied, no additional application shall be made until the expiration of an additional ten years.

Sec. 18. Minnesota Statutes 1986, section 105.392, subdivision 1, is amended to read:

Subdivision 1. The legislature finds that it is in the public interest to preserve the wetlands of the state and thereby to conserve surface waters, to maintain and improve water quality, preserve wildlife

habitat, to reduce runoff, to provide for floodwater retention, to reduce stream sedimentation, to contribute to improved subsurface moisture, to enhance the natural beauty of the landscape, and to promote comprehensive and total water management planning. Therefore, the commissioner of natural resources is authorized to promulgate rules, which shall include the procedures and payment rates designed to effectuate the terms of this section. ~~This program is intended to supplement and complement the federal water bank program and the payment rates established shall be at least equal to the federal rates existing at the time any agreements are entered into.~~

Sec. 19. Minnesota Statutes 1986, section 105.392, subdivision 2, is amended to read:

Subd. 2. For the conservation of wetlands, whether or not included in the definition contained in section 105.37, subdivision 15, the commissioner shall have authority to may acquire wetlands in fee pursuant to section 97A.145, or may enter into easement agreements with landowners for the conservation of wetlands and other waters. These easement agreements shall be conservation easements, as defined in section 84C.01, paragraph (1), but, in addition, may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner. These agreements shall be entered into for a period of not less than ten years, with provision for renewal for additional not less than ten year ten-year periods, or the agreements may provide that the easement will be permanent in duration. The commissioner may reexamine the payment rates at the beginning of any ten year renewal period in the light of the then giving consideration to current land and crop values and make needed adjustments in rates for any renewal period.

Wetlands eligible for inclusion in the waterbank program shall have all the following characteristics as determined by the commissioner: (a) type 3, 4, or 5 as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition); (b) its drainage is lawful, feasible, and practical; and (c) its drainage would provide high quality cropland and that is the projected land use. Waters which have the foregoing characteristics but are less than ten acres in size in unincorporated areas or less than 2½ acres in size in incorporated areas shall also be eligible for inclusion in the waterbank program, at the discretion of the commissioner.

Sec. 20. Minnesota Statutes 1986, section 105.392, subdivision 3, is amended to read:

Subd. 3. In the easement agreement between the commissioner and an owner, the owner shall agree:

(1) to place in the program for the period of the agreement eligible wetland areas the owner designates, which areas may include

wetlands covered by a federal or state government easement ~~which that~~ permits agricultural use, together with such adjacent areas as determined desirable by the commissioner;

(2) not to drain, burn, fill, or otherwise destroy the wetland character of such areas, nor to use such areas for agricultural purposes, as determined by the commissioner;

(3) to effectuate the wetland conservation and development plan for the land in accordance with the terms of the agreement, unless any requirement thereof is waived or modified by the commissioner;

(4) to forfeit all rights to further payments or grants under the agreement and to refund to the state all payments or grants received thereunder upon violating the agreement at any stage during the time the owner has control of the land subject to the agreement if the commissioner determines that the violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the commissioner may deem appropriate if the commissioner determines that the violation by the owner does not warrant termination of the agreement;

(5) ~~upon transfer of right and interest in the land subject to the agreement during the agreement period, to forfeit all rights to further payments or grants under the agreement and refund to the state all payments or grants received thereunder during the year of the transfer unless the transferee of any such land agrees with the commissioner to assume all obligations of the agreement;~~

(6) not to adopt any practice specified by the commissioner in the agreement as a practice which would tend to defeat the purposes of the agreement; and

~~(7)~~ (6) to additional provisions which the commissioner determines are desirable and includes in the agreement to effectuate the purposes of the program or to facilitate its administration.

Sec. 21. Minnesota Statutes 1986, section 105.392, subdivision 4, is amended to read:

Subd. 4. In return for the easement agreement of the owner, the commissioner shall (1) make an annual payment to the owner for the period of the agreement at the rate as the commissioner determines to be fair and reasonable in consideration of the obligations undertaken by the owner; and (2) must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. In making the determination, the commissioner shall consider, among other things, the rate of compensation necessary to encourage owners of wetlands to participate in the waterbank program. The commissioner must make the following payments to

the landowner for the easement agreement: (1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made; (2) for an easement of limited duration, an annual payment of 50 percent of the mean adjusted cash rental for cropland in the county, as established by the commissioner of revenue for the time period when the application is made; and (3) for an easement of limited duration, the landowner may elect to receive a lump sum payment, the amount of which shall be the present value of the annual payments for the term of the easement.

Sec. 22. Minnesota Statutes 1986, section 105.392, subdivision 5, is amended to read:

Subd. 5. Any easement agreement may be renewed or extended at the end of the agreement period for an additional period of ten years by mutual agreement of the commissioner and the owner, subject to any rate redetermination by the commissioner. If during the agreement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner may must continue such the agreement under the same terms or conditions, or enter into a new agreement in accordance with the provisions of this section, including the provisions for renewal and adjustment of payment rates, or may choose not to participate in the program, except any water designated as wetlands shall not be drained.

Sec. 23. Minnesota Statutes 1986, section 105.392, subdivision 6, is amended to read:

Subd. 6. The commissioner may terminate any easement agreement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest, and may agree to any modification of agreements the commissioner may determine to be desirable to carry out the purposes of the program or facilitate its administration.

Sec. 24. [BONDS AUTHORIZED.]

The commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$36,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.641 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Sec. 25. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATION TO RESOURCES FUND.] There is appropriated to the reinvest in Minnesota resources fund, other than the bond proceeds account within that fund, any money appropriated by law.

Subd. 2. [BOND PROCEEDS APPROPRIATION.] \$36,000,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund to the agencies and account for the purposes specified in this section.

Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$22,403,000 is appropriated to the commissioner of agriculture:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for the conservation reserve program under section 40.43, to be available until expended \$20,000,000

(b) from the general fund for technical assistance and administration of the conservation reserve program to be available until June 30, 1989 \$ 2,403,000

\$2,000,000 of this appropriation must be distributed to soil and water conservation districts.

The approved complement of the department of agriculture is increased by four positions in the classified service.

Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$16,500,000 is appropriated to the commissioner of natural resources:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for fish and wildlife habitat improvements and acquisition of interests in land under the comprehensive fish and wildlife management plan under section 84.942, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this clause from the amount appropriated for the various purposes \$12,000,000

(b) from the bond proceeds account of the reinvest in Minnesota resources

fund for aspen recycling under section 88.80, to be available until expended

\$ 1,500,000

(c) from the bond proceeds account of the reinvest in Minnesota resources fund for transfer to the critical habitat private sector matching account

\$ 2,500,000

(d) from the bond proceeds account of the reinvest in Minnesota resources fund for the native prairie bank program

\$ 500,000

The approved complement of the department of natural resources is increased by 12 positions in the unclassified service and eight positions in the classified service.

Subd. 5. \$1,600,000 is appropriated to the commissioner of natural resources from the general fund for the administration of projects included in clauses (a), (b), and (c) of subdivision 4."

Amend the title as follows:

Page 1, line 5, after "conditions;" insert "native prairie bank program;"

Page 1, line 7, delete "a subdivision" and insert "subdivisions"

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 909, A bill for an act relating to waters; changing the posting and publication of notice requirements for aeration operations by a permittee of the commissioner of natural resources; providing an exclusion from government tort liability; amending Minnesota Statutes 1986, sections 3.736, subdivision 3; and 378.22, subdivisions 2 and 3.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 915, A bill for an act relating to environment; authorizing an assessment against public utilities to finance the state costs of controlling acid deposition; amending Minnesota Statutes 1986, section 116C.69, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 17, after the period strike "The" and insert "An assessment may not be made if the annual assessment due would be less than \$50. Until June 30, 1992, the"

Page 1, lines 24 and 25, strike "This amount shall be certified to the board by the executive director of the pollution control agency." and insert "A work plan and budget shall be submitted annually to the board which shall take public testimony on the budget and work plan. The board must approve the work plan and budget before an assessment is levied. The work plan and budget must be submitted to the board by June 30, 1987."

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

The report was adopted.

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

H. F. No. 916, A bill for an act relating to the department of administration; amending, creating, and deleting various duties of the commissioner of administration; creating the productivity loan fund; providing definitions; amending Minnesota Statutes 1986, sections 4.31, subdivisions 1 and 5; 14.04; 16B.08, subdivisions 3 and 7; 16B.09, subdivision 1; 16B.24, subdivision 6; 16B.29; 16B.51, subdivision 3; 138.17, subdivision 7; and 139.19; amending Laws 1979, chapter 333, section 18; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, section 138.22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 4.31, subdivision 1, is amended to read:

Subdivision 1. There is created in the office of the ~~governor~~ commissioner the office of on volunteer services, hereafter referred

to as "the office." The office shall be under the supervision and administration of an executive director to be appointed by the ~~governor~~ commissioner and hereinafter referred to as "director." ~~The director shall be regarded as an employee of the governor.~~ The office shall operate as a state information center for volunteer programs and needed services that could be delivered by volunteer programs. Any person or public or private agency may request information on the availability of volunteer programs relating to specific services, and may report to the director whenever a volunteer program is needed or desired.

Sec. 2. Minnesota Statutes 1986, section 4.31, is amended by adding a subdivision to read:

Subd. 3a. The director may charge a fee for services provided to state agencies, political subdivisions, private and nonprofit organizations, and individuals. Fees collected by the office shall be deposited in the state treasury and are continually appropriated to the office for the purposes of this section.

Sec. 3. Minnesota Statutes 1986, section 4.31, subdivision 5, is amended to read:

Subd. 5. The commissioner of administration shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to the commissioner and the director of volunteer services. ~~Notwithstanding this numerical limitation, members currently serving on an advisory group to the office of volunteer services shall complete their prescribed terms of office; thereafter, appointments of successors shall be made so as to be consistent with the numerical limitation contained in this section.~~ Membership terms, compensation, removal and filling of vacancies of members and expiration of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

Sec. 4. Minnesota Statutes 1986, section 14.04, is amended to read:

#### 14.04 [AGENCY ORGANIZATION; GUIDEBOOK.]

To assist interested persons dealing with it, each agency shall, in a manner prescribed by the commissioner of administration, prepare a description of its organization, stating the process whereby the public may obtain information or make submissions or requests. The commissioner of administration shall publish these descriptions at least ~~in once every odd-numbered year~~ four years commencing in 1981 in a guidebook of state agencies. Notice of the publication of the guidebook shall be published in the State Register.



Sec. 5. Minnesota Statutes 1986, section 16B.06, subdivision 4, is amended to read:

Subd. 4. [SUBJECT TO AUDIT.] A contract or any disbursement of public funds to a provider of services or a grantee, made by or under the supervision of the commissioner, an agency, or any county or unit of local government shall include, expressly or impliedly, an audit clause that provides that the books, records, documents, and accounting procedures and practices of the contractor or other party, relevant to the contract or transaction are subject to examination by the contracting agency, and either the legislative auditor or the state auditor as appropriate.

Sec. 6. Minnesota Statutes 1986, section 16B.08, subdivision 3, is amended to read:

Subd. 3. [AUCTION IN LIEU OF BIDS.] The commissioner, in lieu of advertising for bids, may sell buildings and other personal property owned by the state and not needed for public purposes at public auction to the highest responsible bidder. A sale under this subdivision may not be made until publication of notice of the sale in a newspaper of general circulation in the area where the property is located and any other advertising the commissioner directs. Any of the property may be withdrawn from the sale prior to the completion of the sale unless the auction has been announced to be without reserve. If the sale is made at public auction a duly licensed auctioneer must be retained to conduct the sale. The auctioneer's fees and other administrative costs of the auction must be paid from the proceeds from which an amount sufficient to pay them is appropriated.

Sec. 7. Minnesota Statutes 1986, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) fiber used in the manufacture of binder twine, ply twines, and rope at the state correctional facilities;

(2) merchandise for resale at state park refectories or facility operations;

(3) (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(4) (3) meat for other state institutions from the vocational school maintained at Pipestone by independent school district No. 583; and

(5) (4) furniture from the Minnesota correctional facility-St. Cloud facilities.

(b) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 8. Minnesota Statutes 1986, section 16B.09, subdivision 1, is amended to read:

Subdivision 1. [LOWEST RESPONSIBLE BIDDER.] All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life cycle costing, where appropriate, in determining the lowest overall bid. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

Sec. 9. Minnesota Statutes 1986, section 16B.17, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND/TECHNICAL SERVICES CONTRACTS.] Before approving a proposed state contract for consultant services or professional and technical services the commissioner must determine, at least, that:

(1) all provisions of section 16B.19 and subdivision 3 of this section have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract, unless the tasks performed and area of expertise used under the contract are substantially different from those used as a state employee;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; and

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed.

Sec. 10. Minnesota Statutes 1986, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease rent land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use except that when a relocation project requires more than 100,000 square feet of leased space and the commissioner determines that a longer lease term is in the best economic interests of the state, the lease may be executed for a term not to exceed ten years. All leases shall provide that the state may terminate the lease or reduce the amount of space rented upon 60 days' written notice to the lessor in the event that the state tenant loses state or federal funding necessary for the continuation of the lease. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless

the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

Sec. 11. Minnesota Statutes 1986, section 16B.29, is amended to read:

16B.29 [STATE SURPLUS PROPERTY; DISPOSAL.]

The commissioner may do any of the following to dispose of supplies, materials, and equipment which are surplus, obsolete, or unused: (1) transfer it to or between state agencies; (2) transfer it to local government units in Minnesota and other institutions and organizations in Minnesota authorized by federal law to accept surplus property and charge a fee to cover expenses incurred by the commissioner in making the property available to these units; or (3) sell it. The commissioner must make proper adjustments in the accounts and appropriations of the agencies concerned. When the commissioner sells the supplies, materials and equipment, the proceeds of the sale are continually appropriated to the agency for whose account the sale was made, to be used and expended by the agency to purchase similar needed supplies, materials and equipment at any time during the biennium in which the sale occurred.

Sec. 12. Minnesota Statutes 1986, section 16B.39, is amended by adding a subdivision to read:

Subd. 1a. [ENDOWMENT FUND.] The commissioner of administration may establish an endowment fund to reward state agencies and their employees for improving productivity and service quality. The commissioner shall use gift money to establish the fund. The interest earnings are appropriated to the commissioner to make agency and employee awards. The commissioner shall establish an advisory task force of state employees and private individuals to recommend criteria for granting rewards and to recommend award recipients.

Sec. 13. [16B.405] [SOFTWARE SALES.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding any other law, and for the purpose of offsetting the department of administration's software development costs through the sale of products developed, the commissioner may sell or license computer software products or systems developed by the commissioner or custom developed by a vendor, through whatever sales method the commissioner considers appropriate. Prices for the software products or systems may be based on market considerations.

Subd. 2. [SOFTWARE SALE FUND.] Proceeds of the sale or licensing of software products or systems by the commissioner shall be credited to the computer services revolving fund. If a state agency other than the department of administration has contributed to the development of software sold or licensed under this section, the commissioner may reimburse the agency by discounting computer services provided to that agency.

Sec. 14. [16B.481] [FEES FOR TRAINING AND MAINTENANCE.]

The commissioner may charge state agencies and political subdivisions a fee for the cost of energy conservation training and preventive maintenance programs. Fees collected by the commissioner shall be deposited in the state treasury and are continually appropriated to the commissioner to pay the cost of the training and maintenance programs.

Sec. 15. Minnesota Statutes 1986, section 16B.51, subdivision 3, is amended to read:

Subd. 3. [SALE OF PUBLICATIONS.] The commissioner may sell official reports, documents, and other publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service. The commissioner may remit a portion of the price of any publication to the agency producing the publication.

Sec. 16. [16B.531] [TRAVEL SERVICES.]

The commissioner may offer a centralized travel service to all state departments and agencies and may, in connection with that service, accept payments from travel agencies under contracts for the provision of travel services. The payments shall be deposited in the motor pool revolving account, created by section 16B.54, subdivision 8, and shall be used for the expenses of managing the centralized travel service. Revenues in excess of the management costs of the centralized service shall be returned to the general fund.

Sec. 17. [16B.86] [PRODUCTIVITY LOAN FUND.]

Subdivision 1. [ESTABLISHMENT.] The productivity loan fund is created as a special account in the state treasury. The money in the fund is continually appropriated to the commissioner of administration and may be spent only for the purposes provided in subdivision 2.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] The money in the fund may be used only for loans to finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency. As used in this section, "agency" means any department, agency, board, council, or authority of the executive branch of state government.

**Sec. 18. [16B.87] [AWARD AND REPAYMENT OF PRODUCTIVITY LOANS.]**

Subdivision 1. [COMMITTEE.] The productivity loan committee is established. The committee consists of the commissioners of administration, finance, revenue, and employee relations, and the state planning director. The commissioner of administration shall serve as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. [AWARD AND TERMS OF LOANS.] An agency shall apply for a loan on a form provided for that purpose by the commissioner of administration. The committee shall review applications for loans and shall award any loan based upon criteria adopted by the committee. The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan shall not exceed five years.

Subd. 3. [REPAYMENT.] An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principle and interest shall be paid to the commissioner of administration who shall deposit it in the productivity loan fund.

Subd. 4. [REPORT.] The commissioner of administration shall submit an annual report to the governor and the chairs of the house appropriations and senate finance committees, reporting the amount and conditions of any loan and other matters concerning the operation of the committee.

Sec. 19. Minnesota Statutes 1986, section 138.17, subdivision 7, is amended to read:

Subd. 7. [RECORDS MANAGEMENT PROGRAM.] A records management program for the application of efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of official records shall be administered by the commissioner of administration. The state

records center which stores and services state records not in state archives shall be administered by the commissioner of administration. The commissioner of administration is empowered to (1) establish standards, procedures, and techniques for effective management of government records, (2) make continuing surveys of paper work operations, and (3) recommend improvements in current records management practices including the use of space, equipment, and supplies employed in creating, maintaining, preserving and disposing of government records. It shall be the duty of the head of each state agency and the governing body of each county, municipality, and other subdivision of government to cooperate with the commissioner in conducting surveys and to establish and maintain an active, continuing program for the economical and efficient management of the records of each agency, county, municipality, or other subdivision of government. When requested by the commissioner, public officials shall assist in the preparation of an inclusive inventory of records in their custody, to which shall be attached a schedule, approved by the head of the governmental unit or agency having custody of the records and the commissioner, establishing a time period for the retention or disposal of each series of records. When the schedule is unanimously approved by the records disposition panel, the head of the governmental unit or agency having custody of the records may dispose of the type of records listed in the schedule at a time and in a manner prescribed in the schedule for particular records which were created after the approval. A list of records disposed of pursuant to this subdivision shall be forwarded to the commissioner and the archivist by the head of the governmental unit or agency. The archivist shall maintain a list of all records destroyed.

Sec. 20. Minnesota Statutes 1986, section 139.19, is amended to read:

**139.19 [GENERAL NONCOMMERCIAL RADIO STATION GRANTS.]**

Subdivision 1. [PURPOSE.] The purposes of this section are to facilitate the use of the noncommercial radio station as a community resource by providing financial assistance to noncommercial radio stations serving Minnesota citizens.

Subd. 2. [DEFINITIONS.] As used in this section, the terms defined in this subdivision have the meanings given them.

(a) "Corporation for Public Broadcasting" means the nonprofit organization established pursuant to United States Code, title 47, section 396.

(b) "Federal Communications Commission" means the federal agency established pursuant to United States Code, title 47, section 151.

(c) "Licensee" means the individual or business entity to whom the Federal Communications Commission has issued the license to operate a noncommercial radio station.

(d) "Noncommercial radio station" means a station ~~holding a license or operating under program test authority~~ operated by a licensee as a noncommercial educational radio station under a license or program test authority from the Federal Communications Commission as a noncommercial educational radio station, licensed to a community within the state and serving a segment of the population of the state.

~~(d)~~ (e) "Operating income" may include:

- (1) individual and other community contributions;
- (2) all grants received from the Corporation for Public Broadcasting;
- (3) grants received from foundations, corporations, or federal, state, or local agencies or other sources for the purpose of programming or general operating support;
- (4) interest income;
- (5) earned income;
- (6) employee salaries paid through the federal Comprehensive Employment Training Act, or other similar public employment programs, provided that only salary expended for employee duties directly relating to radio station operations shall be counted;
- (7) employee salaries paid through supporting educational institutions, provided that only salary expended for employee duties directly relating to radio station operations shall be counted;
- (8) direct operating costs provided by supporting educational institutions; and
- (9) no more than \$15,000 in volunteer time calculated at the federal minimum wage.

The following are specifically excluded in determining a station's operating income:

- (1) dollar representations in ~~in-kind~~ assistance from any source except as stipulated in clauses (8) and (9) above;
- (2) grants or contributions from any source for the purpose of purchasing capital improvements or equipment; and



(3) noncommercial radio station grants received in the previous fiscal year pursuant to this section.

Subd. 3. [STATION ELIGIBILITY.] To qualify for a grant under this section, ~~a noncommercial radio station~~ the licensee shall:

(a) Hold a valid noncommercial educational radio station license or program test authority from the Federal Communications Commission;

(b) Have facilities adequate to provide local program production and origination;

(c) Employ a minimum of two full time professional radio staff persons or the equivalent in part-time staff and agree to employ a minimum of two full time professional radio staff persons or the equivalent in part-time staff throughout the fiscal year of the grant;

(d) Maintain a minimum daily broadcasting schedule of (1) the maximum allowed by its Federal Communications Commission license or (2) 12 hours a day during the first year of eligibility for state assistance, 15 hours a day during the second year of eligibility and 18 hours a day during the third and following years of eligibility;

(e) Broadcast 365 days a year or the maximum number of days allowed by its Federal Communications Commission license;

(f) Have a daily broadcast schedule devoted primarily to programming that serves ascertained community needs of an educational, informational or cultural nature within its primary signal area; however, a program schedule of a main channel carrier designed to further the principles of one or more particular religious philosophies or including 25 percent or more religious programming on a broadcast day does not meet this criterion, nor does a program schedule of a main channel carrier designed primarily for in-school or professional in-service audiences;

(g) Originate significant, locally produced programming designed to serve its community of license;

(h) Have a total annual operating income and budget of at least \$50,000;

(i) Have either a board of directors representing the community or a community advisory board that conducts advisory board meetings that are open to the public;

(j) Have a board of directors that: (1) holds the portion of any meeting relating to the management or operation of the radio

station open to the public and (2) permits any person to attend any meeting of the board without requiring a person, as a condition to attendance at the meeting, to register the person's name or to provide any other information; and

(k) Have met the criteria in clauses (a) to (j) for six months before it is eligible for state assistance under this section.

The commissioner shall accept the judgment of Corporation for Public Broadcasting accepted audit when it is available on a station's eligibility for assistance under the criteria of this subdivision. If the ~~applicant~~ station is not qualified for assistance from the Corporation for Public Broadcasting, an independent audit is required.

Subd. 4. [APPLICATION.] To be eligible for a grant under this section, a ~~station~~ licensee shall submit an application to the commissioner within the deadline prescribed by the commissioner. It shall also submit, within the deadline prescribed by the commissioner, its audited financial records for the fiscal year preceding the year for which the grant will be made.

Subd. 5. [GRANTS.] (a) The commissioner shall determine eligibility for grants and the allocation of grant money on the basis of audited financial records of the station to receive the grant funds for the ~~applicant~~ station's fiscal year preceding the year in which the grant is made, as well as on the basis of the other requirements set forth in this section. The commissioner shall annually distribute grants to all stations that comply with the eligibility requirements and apply for which a licensee applies for a grant. The commissioner may promulgate rules to implement this section. For this purpose the commissioner may promulgate emergency rules pursuant to sections 14.29 to 14.36. An applicant's share of the grant money shall be based on:

(1) The amount received in the preceding year by the station to which the grant would be distributed in private nontax generated contributions from sources within the state; no contributions made for the purpose of capital expenditures shall be counted; and

(2) The dollar value in the preceding year of contributions of volunteer time to station operations, provided that the volunteer time was not used for the purpose of raising money for the station. Volunteer time shall be valued at the federal minimum wage per hour. A station's total allocation for volunteer time shall not exceed 20 percent of its total grant pursuant to this section.

(b) The commissioner shall match every verified contribution dollar under paragraph (a), clause (1) and volunteer time dollar, as calculated under paragraph (a), clause (2), with two state dollars for each eligible applicant until the ~~applicant~~ station to which the grant

is distributed has received \$10,000 in grant money under this section, and thereafter grant money shall be distributed on a dollar for dollar basis until the total amount appropriated for that year has been distributed equally among all applicants stations. A station may receive state matching money only until the station's total verified contribution and volunteer time has been matched or the amount of the grant received equals one-third of the station's total operating income for the previous fiscal year.

(c) A station may use grant money under this section for any radio station expenses.

Subd. 6. [AUDIT.] A station that receives a grant under this section shall have an audit of its financial records made by an independent auditor or Corporation for Public Broadcasting accepted audit at the end of the fiscal year for which it received the grant. The audit shall include a review of station promotion, operation, and management and an analysis of the station's use of the grant money. A copy of the audit shall be filed with the commissioner.

Sec. 21. Minnesota Statutes 1986, section 248.07, subdivision 8, is amended to read:

Subd. 8. [USE OF REVOLVING FUND, LICENSES FOR OPERATION OF VENDING MACHINES.] The revolving fund created by Laws 1947, chapter 535, section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into the fund. All interest earned on money accrued in the fund shall be credited to the fund by the state treasurer. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund. Authority is hereby given to the commissioner to use the money available in the revolving fund for the establishment, operation and supervision of vending stands by blind persons for the following purposes: (1) purchase, upkeep and replacement of equipment; (2) purchase of initial and replacement stock of supplies and merchandise; (3) expenses incidental to the setting up of new stands and improvement of old stands; (4) purchase of general liability insurance as deemed advisable for any vending stand by the commissioner; (5) reimbursement to individual blind vending operators for reasonable travel and maintenance expenses incurred in attending supervisory meetings as called by the commissioner; (6) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each

blind vending operator information on all matters relevant to the fringe benefits. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Sec. 22. Laws 1979, chapter 333, section 18, is amended to read:

Sec. 18. [ADMINISTRATION.]

|                                   |            |            |
|-----------------------------------|------------|------------|
| General Operations and Management | 15,136,500 | 15,595,900 |
|-----------------------------------|------------|------------|

Approved Complement - 956

General - 485

Special - 11

Federal - 7

Revolving - 453

The amounts that may be expended from this appropriation for each program are as follows:

Management Services

|              |              |
|--------------|--------------|
| \$ 3,311,200 | \$ 3,493,300 |
|--------------|--------------|

The commissioner of administration shall transfer two positions from management analysis to records management to allow the department to meet its responsibilities for records management. These positions may revert to management analysis when they are no longer needed to meet those responsibilities.

Real Property Management

|              |              |
|--------------|--------------|
| \$ 7,804,200 | \$ 7,780,900 |
|--------------|--------------|

The commissioner of administration shall charge the department of transportation and the iron range resources and rehabilitation board for engineering services performed on behalf of these agencies.

The unencumbered balance in appropriation accounts 16078:14-11 and 16072:14-11 shall be canceled on July 1, 1979.

## State Agency Services

\$ 1,224,400      \$ 1,222,000

For 1979 - \$169,200

\$169,200 is available as an advance appropriated from the general fund to the surplus property revolving fund. Of this amount, \$67,700 is immediately available for payment of outstanding obligations, \$40,000 is immediately available as working capital, and \$61,500 is available for the reduction of obligations incurred between March 1, 1979, and February 29, 1980.

The commissioner of administration shall provide a monthly report to the commissioner of finance consisting of: an operations statement, a balance sheet, an analysis of changes in retained earnings, and a source and use of funds statement. The commissioner of finance is responsible for approving the allotment of the \$61,500 portion of the advance appropriation and shall give his approval when potential deficiencies are forecast. If it appears that the \$61,500 portion of the advance appropriation will be exhausted prior to January 15, 1980, the commissioner of finance shall promptly notify the governor and the legislative advisory commission of the need for an additional advance appropriation.

The commissioner of administration shall by January 15, 1980, provide copies of all monthly reports through the period ending December 31, 1979, to the senate finance committee and the house appropriations committee. The commissioner of finance shall by January 15, 1980, recommend the continuance or discontinuance of the federal surplus property activity to the committee on finance in the senate and the committee on appropriations of the house of representatives.

The advance of \$169,200 shall be returned in full or in increments to the general fund from the surplus property revolving fund when the commissioner of finance determines that retained earnings are in excess of the working capital requirements of the surplus property revolving fund. In the event the surplus property revolving fund is discontinued, any portion of the advance of \$169,200 that has not been returned to the general fund shall, immediately upon liquidation of assets, be paid to the general fund.

## Public Services

\$ 1,748,900      \$ 2,053,400

\$37,000 the first year and \$40,700 the second year is for the state contribution to the National Conference of State Legislatures.

\$43,900 each year is for the state contribution to the Council of State Governments.

\$6,500 each year is for the expenses of the Interstate Cooperation Commission.

\$5,000 each year is for the Minnesota state employees band.

General Support

\$ 1,047,800      \$ 1,046,300

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 23. [TRANSITION.]

An incumbent of an unclassified position which is placed in the classified services as a result of section 1 shall be appointed to the position in the classified service in the job without a competitive or qualifying exam.

Sec. 24. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes, section 4.31, subdivisions 1 and 5, in chapter 16B.

Sec. 25. [REPEALER.]

Minnesota Statutes 1986, sections 16B.39, subdivision 1; and 138.22, are repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 6, 11, 14, and 16 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; amending, creating, and deleting various duties of the commissioner of administration; creating the productivity loan fund; providing definitions; requiring interest earned on the revolving fund for vocational rehabilitation of the blind to be credited to the fund; amending Minnesota Statutes 1986, sections 4.31, subdivisions 1, 5, and by adding a subdivision; 14.04; 16B.06, subdivision 4; 16B.08, subdivisions 3 and 7; 16B.09, subdivision 1; 16B.17, subdivision 2; 16B.24, subdivision 6; 16B.29; 16B.39, by adding a subdivision; 16B.51, subdivision 3; 138.17, subdivision 7; 139.19; 248.07, subdivision 8; and Laws 1979, chapter 333, section 18; proposing coding for new

law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 16B.39, subdivision 1; and 138.22."

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

The report was adopted.

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

H. F. No. 924, A bill for an act relating to corrections; removing the Minnesota correctional industries from state competitive bidding requirements; amending Minnesota Statutes 1986, section 241.27, subdivision 2.

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

The report was adopted.

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

H. F. No. 936, A bill for an act relating to public employees; creating a statewide public employees insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [43A.316] [PUBLIC EMPLOYEES INSURANCE PLAN.]

Subdivision 1. [INTENT.] The legislature finds that the creation of a statewide plan to provide public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage through provider organizations would result in a greater utilization of government resources and would advance the health and welfare of the citizens of the state.

Subd. 2. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) [COMMISSIONER.] "Commissioner" means the commissioner of the department of employee relations.

(b) [EMPLOYEE.] "Employee" means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, and is employed by an eligible employer or (2) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner.

(c) [ELIGIBLE EMPLOYER.] "Eligible employer" means

(1) a public employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, school district as defined in section 120.02, educational cooperative service unit as defined in section 123.58, intermediate district as defined in section 136C.02, subdivision 7, cooperative center for vocational education as defined in section 123.351, regional management information center as defined in section 121.935, or an education unit organized under the joint powers action, section 471.59; or

(2) an exclusive representative of employees, as defined in paragraph (b); or

(3) another public employer approved by the commissioner.

(d) [EXCLUSIVE REPRESENTATIVE.] "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

(e) [LABOR-MANAGEMENT COMMITTEE.] "Labor-management committee" means the committee established by subdivision 4.

(f) [PLAN.] "Plan" means the statewide public employees insurance plan created by subdivision 3.

Subd. 3. [PUBLIC EMPLOYEE INSURANCE PLAN.] There is created the "public employee insurance plan." The commissioner shall be the administrator of the plan. The commissioner shall model the plan after the plan established in section 43A.18, subdivision 2, but may modify that plan, in consultation with the labor-management committee. The commissioner may, if feasible, include the participants in the plan established by this subdivision in the plan established for state employees, after consulting with exclusive representatives of state employees and with the labor-management committee.

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] There is created a labor-management committee of ten members appointed by the commissioner. The labor-management committee shall consist of five members who represent employees, including at least one retired employee, and five members who represent eligible employ-



ers. The commissioner shall consult with the labor-management committee in major decisions that affect the plan. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Subd. 5. [PUBLIC EMPLOYEE PARTICIPATION.] Participation in the plan is subject to the conditions in this subdivision.

(a) Each exclusive representative for an eligible employer determines whether the employees it represents shall participate in the plan. The exclusive representative must give the employer notice of intent to participate at least 90 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the plan. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the plan at least 90 days prior to entry into the plan. Entry into the plan shall be according to a schedule established by the commissioner.

(b) Employees not represented by exclusive representatives may become members of the plan upon a determination of an eligible employer to include these employees in the plan. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 90 days' notice to the commissioner prior to entering the plan. Entry into the plan shall be according to a schedule established by the commissioner.

(c) Participation in the plan shall be for a three-year term if coverage begins in an even-numbered year and a four-year term if coverage begins in an odd-numbered year. Participation is automatically renewed for an additional four-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 90 days prior to expiration of the participation period. A group that withdraws must wait two years before rejoining.

(d) The exclusive representative shall give the employer notice of intent to withdraw at least 90 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

(e) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer must also submit other information as required by the commissioner for administration of the plan.

Subd. 6. [COVERAGE.] By January 1, 1989, the commissioner shall announce the benefits of the plan. The plan shall include employee hospital, medical, dental, and life insurance for employees

and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options shall be provided if they are available, cost effective, and capable of servicing the number of people covered in the plan. Participation in optional coverages may be provided by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the plan.

Subd. 7. [PREMIUMS.] The proportion of premium paid by the employer and employee is subject to collective bargaining. Premiums, including an administration fee, shall be established by the commissioner. Each eligible employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 8 to the commissioner on or before the dates established by the commissioner. Failure to pay may result in cancellation of the benefits.

Subd. 8. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or is on unrequested leave may elect to continue the plan coverage. This coverage is at the expense of the employee unless otherwise provided by a collective bargaining agreement. Premiums for these employees shall be established by the commissioner. Coverage continues until one of the following occurs:

(1) the employee is reemployed and eligible for health care coverage under a group policy; or

(2) the insurance continuation periods required by state and federal laws expire.

(b) A participating employee who retires and is receiving an annuity or is eligible for and has applied for an annuity under chapter 352, 352B, 352C, 352D, 353, 354, 354A, 356, 422A, 423, 423A, 424, or 490 is eligible to continue participation in the plan. The payment of premiums is as the exclusive representative, the eligible employer, and participating employee's pension fund administrator shall agree. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee shall notify the employer within 30 days of the effective date of retirement of intent to exercise this option.

The spouse of a deceased retired employee may purchase the benefits provided at premiums established by the commissioner if the deceased retired employee received an annuity under chapter 352, 353, 354, 354A, 356, 422A, 423, 423A, or 424 and if the spouse was a dependent under the retired employee's coverage under this section at the time of the death of the retired employee. Coverage under this paragraph shall be coordinated with relevant insurance

benefits provided through the federally sponsored Medicare program.

(c) The plan benefits shall continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) A person who desires to participate under paragraphs (a) to (c) shall notify the eligible employer or former employer of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner, and coverage shall begin as soon as the commissioner permits.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Subd. 9. [INSURANCE TRUST FUND.] An insurance trust fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall be credited to the fund.

#### Sec. 2. [APPROPRIATION.]

\$..... is appropriated in fiscal year 1988 from the general fund to the commissioner of employee relations to establish the fringe benefit plan. The appropriation is available until June 30, 1989.

#### Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1987, except that benefit coverage for employees of school districts, educational cooperative service units, intermediate districts, cooperative centers for vocational education, regional management information centers, and education units organized under the joint powers act is effective September 1, 1989, and benefit coverage for all other employees is effective January 1, 1991."

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

The report was adopted.

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

H. F. No. 948, A bill for an act relating to state government; providing for affirmative action improvements; regulating job eligibility lists; providing for the title of state agency heads; regulating hiring and personnel practices; amending Minnesota Statutes 1986, sections 15.06, subdivision 1; 15.46; 43A.08, subdivision 1; 43A.13, subdivisions 1 and 7; 43A.18, subdivision 4; 43A.191, subdivision 3; 43A.24, subdivision 2; 43A.30, subdivision 4; 43A.33, subdivision 3; 43A.34, subdivision 3; repealing Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, energy and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public welfare public service, human services, revenue, transportation, and veterans affairs; the housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are referred to in this section as "commissioners."

Sec. 2. Minnesota Statutes 1986, section 15.46, is amended to read:

15.46 [PREVENTIVE HEALTH SERVICES FOR STATE EMPLOYEES.]

The commissioner of the department of employee relations may establish and operate a program of preventive health services for state employees, and shall provide such staff, equipment, and facilities as are necessary therefor. The commissioner shall develop these services in accordance with ~~and limited to~~ the accepted practices of and standards for occupational preventive health services in the state of Minnesota. Specific services shall be directed to the work environment and to the health of the employee in relation to the job. The commissioner shall cooperate with the department of health as well as other private and public community agencies providing health, safety, employment, and welfare services.

Sec. 3. Minnesota Statutes 1986, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (a) chosen by election or appointed to fill an elective office;
- (b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions and institutions specifically established by law in the unclassified service;
- (c) deputy and assistant agency heads, and one confidential secretary in the agencies listed in subdivision 1a;
- (d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (f) employees in the offices of the governor and of the lieutenant governor, and one confidential employee for the governor in the office of the adjutant general;
- (g) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (h) presidents, vice presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants and student employees eligible under terms of the federal economic opportunity act work study program in the state universities and community colleges. This paragraph shall not be construed to include the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions.
- (i) officers and enlisted persons in the national guard;
- (j) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(k) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(l) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(m) chaplains employed by the state;

(n) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(o) student workers; and

(p) employees unclassified pursuant to other statutory authority.

Sec. 4. Minnesota Statutes 1986, section 43A.13, subdivision 1, is amended to read:

#### 43A.13 [CERTIFICATION OF ELIGIBLES.]

Subdivision 1. [GENERAL.] Upon request of an appointing authority the commissioner shall certify eligibles from an eligible list determined appropriate by the commissioner, or as provided in collective bargaining agreements, rules or section 43A.04, subdivision 4. The commissioner may limit certification to those eligibles who meet special qualifications documented by an appointing authority and approved by the commissioner as essential job-related and necessary for satisfactory performance of a specific vacant position. The commissioner shall certify qualified available eligibles as provided in this section. Where the vacancy to be filled is in a position covered by a collective bargaining agreement, the list of certified eligibles shall be made available upon request to the exclusive representative as defined in sections 179A.01 to 179A.25.

Sec. 5. Minnesota Statutes 1986, section 43A.13, subdivision 7, is amended to read:

Subd. 7. [EXPANDED CERTIFICATION.] When the commissioner determines that a disparity as defined in rules exists between an agency's work force and its affirmative action plan approved in accordance with section 43A.19, the commissioner shall ensure to the extent possible that eligibles who are members of the protected groups for which the disparity exists are certified for appointment. When fewer than three two eligibles of all each protected groups group for which a disparity has been determined to exist would be certified under subdivisions 4 and 5, the commissioner shall certify as many additional two eligibles from all of the protected groups for

which disparities have been determined to exist as are necessary to bring the number of such protected group eligibles certified to an aggregate total of three from each protected group for which a disparity exists. Implementation of this subdivision shall not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363.

Sec. 6. Minnesota Statutes 1986, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor and state treasurer shall be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor and state treasurer, respectively.

(b) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h), in the higher education coordinating board, and in the state board of vocational technical education shall be determined by the state university board and the state board for community colleges, the higher education coordinating board, and the state board of vocational technical education, respectively.

(c) Total compensation for classified administrative law judges in the office of administrative hearings shall be determined by the chief administrative law judge.

Sec. 7. Minnesota Statutes 1986, section 43A.191, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS AND INCENTIVES.] (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By January February 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, and the governmental operations committees of both houses of the legislature. The report must include each agency's rate of

compliance with annual hiring goals. In addition, any agency in which less than 75 percent of the interim hiring goals in any goal unit were unmet that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements. By January 15, 1986, the commissioner shall submit to the legislature a proposal for improving compliance rates. This proposal must include penalties for noncompliance.

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 8. Minnesota Statutes 1986, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) A member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;



(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district administrator; and an employee of the office of the district administrator of the fifth or the eighth judicial districts;

(d) A salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota; and

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982 who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982 who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982 and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund; who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored medicare program.

Sec. 9. Minnesota Statutes 1986, section 43A.30, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEE INSURANCE TRUST FUND.] The commissioner of employee relations may direct that all or a part of the amounts paid for life insurance, hospital, medical, and dental benefits, and optional coverages authorized for eligible employees and other eligible persons be deposited by the state in an employee insurance trust fund in the state treasury, from which the approved claims of eligibles are to be paid. Investment income and investment losses attributable to the investment of the fund shall be credited to the fund. There is appropriated from the fund to the commissioner of ~~finance~~ amounts needed to pay the approved claims of eligibles, related service charges, insurance premiums, and refunds. The commissioner shall not market or self-insure life insurance or optional coverages. Nothing in this subdivision precludes the commissioner from determining plan design, providing informational materials, or communicating with employees about coverages.

Sec. 10. Minnesota Statutes 1986, section 43A.33, subdivision 3, is amended to read:

Subd. 3. [PROCEDURES.] Procedures for discipline and discharge of employees covered by collective bargaining agreements shall be governed by the agreements. Procedures for employees not covered by a collective bargaining agreement shall be governed by this subdivision and by the commissioner's and managerial plans.

(a) For discharge, suspension without pay or demotion, no later than the effective date of such action, a permanent classified employee not covered by a collective bargaining agreement shall be given written notice by the appointing authority. ~~The written notice shall include a statement of the nature of the disciplinary action, the specific reasons for the action, the effective date of the action and a statement informing the employee of the employee's right to reply within five working days following the receipt of the notice in writing or, upon request, in person, to the appointing authority or the authority's designee. The appointing authority shall respond within ten working days following receipt of the employee's reply or of the personal meeting. If the employee receives a negative reply or no reply from the appointing authority, the employee shall have 30 calendar days following the expiration of the ten working day response period to appeal the action to the office of administrative hearings. The content of that notice as well as the employee's right to reply to the appointing authority shall be as prescribed in the grievance procedure contained in the applicable plan established pursuant to section 43A.18. The notice shall also include a statement that the employee may elect to appeal the action to the office of administrative hearings within 30 calendar days following the effective date of the disciplinary action. A copy of the notice and the employee's reply, if any, shall be filed by the appointing authority with the commissioner no later than ten calendar days following the effective date of the disciplinary action. The commissioner shall have final authority to decide whether the appointing authority~~

shall settle the dispute prior to the hearing provided under subdivision 4.

(b) For discharge, suspension or demotion of an employee serving an initial probationary period, and for noncertification in any subsequent probationary period, grievance procedures shall be as provided in the plan established pursuant to section 43A.18.

(c) Any permanent employee who is covered by a collective bargaining agreement may elect to appeal to the chief administrative law judge within 30 days following the effective date of the discharge, suspension or demotion if the collective bargaining agreement provides that option. In no event may an employee use both the procedure under this section and the grievance procedure available pursuant to sections 179A.01 to 179A.25.

Sec. 11. Minnesota Statutes 1986, section 43A.34, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY RETIREMENT AGE.] Employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association and who are serving as faculty members or administrators under a contract of unlimited terms or similar arrangement providing for unlimited tenure at an institution of higher education, as defined in section 1201(a) of the federal Higher Education Act of 1965, as amended through January 1, 1987, must retire from employment by the state upon reaching the age of 70, except as provided in other law. Other employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association, except as provided in subdivision 3 or 4, or as provided in section 354.44, subdivision 1a, shall not be subject to a mandatory retirement age provision.

Sec. 12. Minnesota Statutes 1986, section 43A.34, subdivision 3, is amended to read:

Subd. 3. [CORRECTIONAL PERSONNEL EXEMPTED.] Notwithstanding the provisions of subdivision 1, Any employee of the state of Minnesota in a covered classification as defined in section 352.91, who is a member of the special retirement program for correctional personnel established pursuant to sections 352.90 to 352.95, may elect or be required to retire from employment in the covered correctional position upon reaching the age of 55 years.

A correctional employee occupying a position covered by provisions of section 352.91, desiring employment beyond the conditional mandatory retirement age shall, at least 30 days prior to the date of reaching the conditional mandatory retirement age of 55 years, and annually thereafter, request in writing to the employee's appointing authority authorization to continue in employment in the covered

position. Upon receiving the request, the appointing authority shall have a medical examination made of the employee. If the results of the medical examination establish the mental and physical ability of the employee to continue the duties of employment, the employee shall be continued in employment for the following year. If the determination of the appointing authority based upon the results of the physical examination is adverse, the disposition of the matter shall be decided by the commissioner of corrections or, for employees of the Minnesota security hospital, the commissioner of human services. Based on the information provided, the decision of the applicable commissioner shall be made in writing and shall be final.

Sec. 13. Minnesota Statutes 1986, section 43A.34, subdivision 4, is amended to read:

Subd. 4. [STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.] Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973 and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol division of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age specified in subdivision 1 of 70 years.

Sec. 14. [WAIVER OF STATUTES, RULES, AND ADMINISTRATIVE PROCEDURES FOR EXPERIMENTAL OR RESEARCH PROJECTS.]

The commissioner of employee relations may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions.

The commissioner of employee relations shall meet and confer with the exclusive bargaining representatives of state employees concerning the design and implementation of experimental and research projects under this section.

Any provision of Minnesota Statutes, sections 43A.09 to 43A.15, associated personnel rules adopted under section 43A.04, subdivision 3, or administrative procedures established under section 43A.04, subdivision 4, is waived for the purpose of these projects. This waiver is limited to no more than five percent of appointments

made under the waived provisions in the preceding fiscal year. The commissioner shall report by March 1, 1988, and January 15, 1989, to the legislative commission on employee relations the results of the experimental or research projects.

Sec. 15. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the term "commissioner" for the term "director" whenever used to refer to the head of the state planning agency, housing finance agency, pollution control agency, department of public service, or bureau of mediation services. No substantive change is intended by the substitution of terms.

Sec. 16. [REPEALER.]

Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivision 2, are repealed. Section 14 is repealed July 1, 1989."

Delete the title and insert:

"A bill for an act relating to state government; providing for affirmative action improvements; regulating job eligibility lists; providing for the title of state agency heads; giving the commissioner of health access to private or confidential data on individual state employees for purposes of epidemiologic studies; setting a mandatory age for certain employees and abolishing it for others; regulating hiring and personnel practices; amending Minnesota Statutes 1986, sections 15.06, subdivision 1; 15.46; 43A.08, subdivision 1; 43A.13, subdivisions 1 and 7; 43A.18, subdivision 4; 43A.191, subdivision 3; 43A.24, subdivision 2; 43A.30, subdivision 4; 43A.33, subdivision 3; 43A.34, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 970, A bill for an act relating to education; requiring the higher education coordinating board to provide education and training information; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Reported the same back with the following amendments:

Page 2, line 27, after "admission requirements," insert "student placement,"

Page 3, line 21, after "administrators," insert "community education programs;"

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

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 983, A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; authorizing certain state board of vocational technical education powers; changing certain state director duties; clarifying school days; amending Minnesota Statutes 1986, sections 121.901, subdivision 1; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 136C.04, subdivision 12, and by adding a subdivision; 136C.13, by adding a subdivision; 136C.15; 136C.29, subdivision 5; and 136C.35; repealing Minnesota Statutes 1986, section 136C.32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 15.014, subdivision 3, is amended to read:

Subd. 3. [TASK FORCE FOR CURRICULUM DEVELOPMENT PURPOSES.] In addition to the task forces for which compensation of members is authorized in subdivision 2, the state board of education and the state board of vocational technical education may each create not to exceed ten task forces, to be compensated as provided in section 15.059, subdivision 6. A task force created pursuant to this subdivision shall be for curriculum development purposes only and shall expire within one year after its creation. The task force shall report to the state board before its expiration or upon the completion of its task, whichever occurs first.

Sec. 2. Minnesota Statutes 1986, section 120.05, is amended to read:

120.05 [PUBLIC SCHOOLS.]

Subdivision 1. [CLASSIFICATION.] For the purpose of administration all public schools are classified under the following heads, provided the requirements in subdivision 2 are met:

- (1) Elementary,
- (2) Middle school,
- (3) Secondary,
- (4) Vocational center school,
- (5) ~~Area vocational~~ Technical school institute.

Subd. 2. [DEFINITIONS.] (1) Elementary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades one through six or any portion thereof and staff meeting the standards established by the state board of education.

(a) The state board of education shall not close a school or deny any state aids to a district for its elementary schools because of enrollment limitations classified in accordance with the provisions of subdivision 2, clause (1).

(2) Middle school means any school other than a secondary school giving an approved course of study in a minimum of three consecutive grades above fourth but below tenth with building, equipment, courses of study, class schedules, enrollment and staff meeting the standards established by the state board of education.

(3) Secondary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades seven through twelve or any portion thereof and staff meeting the standards established by the state board of education.

(4) A vocational center school is one serving a group of secondary schools with approved areas of secondary vocational training and offering vocational secondary and adult programs necessary to meet local needs and meeting standards established by the state board of education.

(5) ~~An area vocational~~ A technical school institute is a school operated according to the standards established by the state board of vocational technical education.

Sec. 3. Minnesota Statutes 1986, section 121.901, subdivision 1, is amended to read:

Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:

(1) Two employees of the state department of education appointed by the commissioner of education;

(2) An employee of the office of state auditor appointed by the state auditor;

(3) One licensed certified public accountant appointed by the state board of education;

(4) ~~Nine~~ Eight persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board; and

(5) One person representing post-secondary vocational technical education appointed by the state director of vocational technical education.

Professional associations composed of persons eligible to be appointed under clauses (3) and (4) may recommend nominees from their associations to the state board.

Sec. 4. Minnesota Statutes 1986, section 121.933, is amended to read:

121.933 [STATEWIDE MANAGEMENT INFORMATION SYSTEM; DELEGATION OF POWERS AND DUTIES.]

Subdivision 1. [PERMITTED DELEGATIONS.] The state board of vocational technical education, the state board of education, and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, by the Minnesota educational computing consortium, by a regional management information center or by any other appropriate provider.

Subd. 2. [PROHIBITED DELEGATIONS.] The state board of vocational technical education, the state board of education, and the department may not delegate to the Minnesota educational computing consortium any of their powers and duties to develop policy and to plan for ESV-IS and SDE-IS, to monitor and enforce compliance with rules and data standards, or to approve the actions of districts and regions. Powers and duties which may not be delegated include the powers and duties in sections 121.931, subdivisions 3, 4, 6, 7, and 8 and 121.932, subdivisions 1 and 2.



Sec. 5. Minnesota Statutes 1986, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of ~~11~~ 12 members appointed by the governor is hereby established. Membership terms, compensation of members, removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board, the governing boards of regional management information centers, and school boards in selecting members of the council.

Sec. 6. Minnesota Statutes 1986, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:

(a) four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector; and

(d) one person from the general public; and

(e) one person representing post-secondary vocational technical education.

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of local school districts or the department of education. The council shall include at least one resident of each congressional district.

Sec. 7. Minnesota Statutes 1986, section 123.37, subdivision 1a, is amended to read:

Subd. 1a. The board may authorize its superintendent or business manager, or technical institute director in those districts operating a technical institute, to lease, purchase, and contract for goods and services within the budget as approved by the board, provided that any transaction in an amount exceeding the minimum amount for

which bids are required must first be specifically authorized by the board and must fulfill all other applicable requirements in subdivision 1.

Sec. 8. Minnesota Statutes 1986, section 126.12, subdivision 2, is amended to read:

Subd. 2. Except for technical institutes, every Saturday shall be a school holiday, except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.

Sec. 9. Minnesota Statutes 1986, section 136C.04, subdivision 12, is amended to read:

Subd. 12. [PROGRAMS AND COURSES.] The state board shall approve, disapprove, and coordinate programs and courses. The state board shall adopt policies that include at least minimum class sizes and placement ratios. After consultation with affected school boards, the state board may add, eliminate, transfer, or change programs and courses as it determines advisable. The state board shall consider the integrated services of secondary, post-secondary, and adult vocational education when it reviews intermediate district programs and courses.

In the case of intermediate districts, the state board may apply the following criteria when adding, eliminating, transferring, or changing programs and courses:

(a) the school board may be allowed to continue offering integrated secondary, post-secondary, and adult programs; and

(b) the school board may determine the use of facilities and equipment for secondary, post-secondary, adult, and special education programs and educational services for low incidence populations.

Sec. 10. Minnesota Statutes 1986, section 136C.04, is amended by adding a subdivision to read:

Subd. 19. [GIFTS; BEQUESTS.] The state board may receive and accept on behalf of the state and for the benefit of any area vocational technical institute, any gift, bequest, devise, or endowment that any person, firm, corporation, or association makes to the board by will, deed, gift, or otherwise for the purpose of vocational technical education. The state board may use any money given it or

any of the area vocational technical institutes under its jurisdiction by any person, firm, corporation, or association, by will, deed, gift, devise, or endowment for the purpose of providing money for any aspect of vocational technical education. Use of the money may not be inconsistent with the terms and conditions under which the money was received by the board or an AVTI under its jurisdiction. Gifts, bequests, devises, or endowments are appropriated to the board for the purposes stated. All taxes and special assessments constituting a lien on real property received and accepted by the board under this subdivision must be paid in full before title is transferred to the state.

Sec. 11. Minnesota Statutes 1986, section 136C.29, subdivision 5, is amended to read:

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 136C.07, subdivision 5. The aid shall be placed in the repair and betterment fund and used solely for the purposes of reconstructing, improving, remodeling, and repairing existing AVTI buildings and grounds. The school board shall authorize and approve actual expenditures of the aid allocated; ~~except that expenditures which exceed \$5,000 shall receive prior approval by the state director. The process in section 136C.28 shall not constitute approval for this purpose.~~ Use of the aid shall be governed by the provisions of section 136C.07, subdivision 5.

Sec. 12. [REPEALER.]

Minnesota Statutes 1986, sections 136C.32 and 136C.35, are repealed.

Sec. 13. [INSTRUCTION TO REVISOR.]

The revisor of statutes is instructed to change the words "AVTI," "area vocational technical institute," "vocational technical institute," "area vocational technical school," "vocational technical school," "vocational school," "vocational institute," "technical school," and "school," and the plurals of each to "technical institute" or "technical institutes" when they refer to a school operated according to standards established by the state board of vocational technical education. The change shall be made in Minnesota Statutes 1988 and subsequent editions of the statutes.

Delete the title and insert:

"A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; clarifying certain duties of the state board of vocational technical education and the state director of vocational technical

education; applying a consistent name to schools operating under standards of the state board of vocational technical education; amending Minnesota Statutes 1986, sections 15.014, subdivision 3; 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32; and 136C.35."

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 994, A bill for an act relating to port authorities; appropriating money for the Seaway port authority of Duluth.

Reported the same back with the following amendments:

Page 1, delete lines 7 to 11 and insert:

"\$4,200,000 is appropriated from the state building fund to the commissioner of energy and economic development to pay a grant to the Seaway port authority of Duluth. Of this appropriation, \$3,000,000 is to buy two mobile crawler cranes and \$1,200,000 is to improve berths 5 and 6.

To provide the money appropriated in this act from the state building fund, the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$4,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

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

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 999, A bill for an act relating to health; providing for a local public health act; defining the powers and duties of boards of health; providing discretionary county ordnancing power; authorizing the community health service subsidy; authorizing grants; providing penalties; amending Minnesota Statutes 1986, sections

35.67; 35.68; 144.36; 144.37; 145.075; and 145.923; and Laws 1969, chapter 235, section 3, subdivisions 2 and 4; proposing coding for new law as Minnesota Statutes, chapter 145A; repealing Minnesota Statutes 1986, sections 145.01 to 145.07; 145.08 to 145.125; 145.17 to 145.23; 145.24, subdivisions 1 and 2; 145.47 to 145.55; 145.911; 145.912, subdivisions 1 to 8, 10 to 15, 19, and 20; 145.913 to 145.92; and 145.922.

Reported the same back with the following amendments:

Page 4, line 15, delete "a nuisance as defined in sections 561.01 and"

Page 4, delete line 16 and insert "any activity or failure to act that adversely affects the public health."

Page 8, delete lines 15 and 16 and insert "enforce, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health."

Page 24, line 21, strike "promulgate" and insert "adopt, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health"

Page 24, lines 22 and 23, delete the new language and strike the old language

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1009, A bill for an act relating to transportation; providing for standards for special transportation service; requiring standards for special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; repealing Minnesota Statutes 1986, section 473.386, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 174.30, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY LIMITATIONS; BY TYPE OF PROVIDER; BY SOURCE OF FUNDS.] The operating standards for special transportation service adopted under this section do not apply to special transportation provided by:

- (a) A common carrier operating on fixed routes and schedules;
- (b) A ~~taxi~~;
- (c) A volunteer driver using a private automobile;
- (d) ~~(c)~~ A school bus as defined in section 169.01, subdivision 6; or
- (e) ~~(d)~~ An emergency ambulance regulated under chapter 144.

The operating standards adopted under this section only apply to providers of special transportation service who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service; except that the operating standards adopted under this section do not apply to any nursing home licensed under section 144A.02, to any board and care facility licensed under section 144.50, or to any day care or group home facility licensed under sections 245.781 to 245.812 unless the facility or program provides transportation to nonresidents on a regular basis and the facility receives reimbursement, other than per diem payments, for that service under rules promulgated by the commissioner of human services.

Sec. 2. Minnesota Statutes 1986, section 174.30, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY TO ADOPT; PURPOSE AND CONTENT; RULEMAKING.] The commissioner of transportation shall adopt by rule standards for the operation of vehicles used to provide special transportation service which are reasonably necessary to protect the health and safety of individuals using that service. The commissioner, as far as practicable, consistent with the purpose of the standards, shall avoid adoption of standards that unduly restrict any public or private entity or person from providing special transportation service because of the administrative or other cost of compliance.

Standards adopted under this section ~~may~~ must include but are not limited to:

- (a) Qualifications of drivers and attendants, including driver training requirements that must be met before a driver provides special transportation;

(b) Safety equipment required for of vehicles and necessary safety equipment;

(c) General requirements concerning inspection and maintenance of vehicles, replacement vehicles, standard vehicle equipment of vehicles, and specialized equipment necessary to ensure vehicle usability and safety for disabled persons; and

(d) Minimum insurance requirements.

The commissioner shall consult with the state council for the handicapped before making a decision on a variance from the standards.

Sec. 3. Minnesota Statutes 1986, section 174.30, is amended by adding a subdivision to read:

Subd. 2a. [VEHICLE AND EQUIPMENT SAFETY; PROVIDER RESPONSIBILITIES.] (a) Every special transportation service provider shall systematically inspect, repair, and maintain, or cause to be inspected, repaired, and maintained, the vehicles and equipment subject to the control of the provider. Each vehicle and its equipment must be inspected daily. A vehicle may not be operated in a condition that is likely to cause an accident or breakdown of the vehicle. Equipment, including specialized equipment necessary to ensure vehicle usability and safety for disabled persons, must be in proper and safe operating condition at all times.

(b) Each special transportation provider shall maintain the following records for each vehicle:

(1) an identification of the vehicle, including make, serial number, and year, and, if the vehicle is not owned by the provider, the name and address of the person furnishing the vehicle;

(2) a schedule of inspection and maintenance operations to be performed;

(3) a record of inspections, repairs, and maintenance showing the date and nature;

(4) a lubrication record; and

(5) a record of tests conducted to ensure that emergency doors or windows and wheelchair lifts function properly.

Sec. 4. Minnesota Statutes 1986, section 174.30, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATE OF COMPLIANCE VEHICLE AND EQUIPMENT INSPECTION; PROCEDURES.] (a) The commissioner shall inspect or provide for the inspection of vehicles at least annually. In addition to scheduled annual inspections and reinspections scheduled for the purpose of verifying that deficiencies have been corrected, unannounced inspections of any vehicle may be conducted. The commissioner shall provide for the unannounced inspection quarterly of at least five percent of the vehicles operated by providers certified by the commissioner.

(b) On determining that a vehicle or vehicle equipment is in a condition that is likely to cause an accident or breakdown, the commissioner shall require the vehicle to be taken out of service immediately. The commissioner of transportation shall issue an annual certificate of compliance for each vehicle used to provide special transportation service which complies with the standards adopted under this section. The commissioner shall issue a certificate of compliance to a vehicle subject to subdivision 3 only if the vehicle also complies with sections 299A.11 to 299A.18 require that vehicles and equipment not meeting standards be repaired and brought into conformance with the standards and shall require written evidence of compliance from the operator within ten days.

(c) The commissioner shall provide in the rules procedures for inspecting vehicles, removing unsafe vehicles from service, determining and requiring compliance and issuing the certificates. The procedures may include inspection of vehicles and examination of drivers, and reviewing driver qualifications.

Sec. 5. Minnesota Statutes 1986, section 174.30, is amended by adding a subdivision to read:

Subd. 4a. [CERTIFICATION OF SPECIAL TRANSPORTATION PROVIDERS.] The commissioner shall annually evaluate or provide for the evaluation of each provider of special transportation service regulated under this section and certify that the provider is in compliance with the standards under this section.

Sec. 6. Minnesota Statutes 1986, section 174.30, subdivision 6, is amended to read:

Subd. 6. [PREEMPTION OF OTHER REQUIREMENTS.] Notwithstanding any other law, ordinance or resolution to the contrary, an operator of special transportation service that has been issued a current certificate of compliance under subdivision 4 4a for a vehicle vehicles used to provide that service is not required to obtain any other state or local permit, license or certificate as a condition of operating the vehicle vehicles for that purpose. This subdivision does not exempt any vehicle from the requirements imposed on vehicles generally as a condition of using the public streets and highways.



Sec. 7. Minnesota Statutes 1986, section 174.30, subdivision 7, is amended to read:

Subd. 7. [ENFORCEMENT.] No state agency, political subdivision or other public agency shall provide any capital or operating assistance to or reimbursement for services rendered by any operator of special transportation service unless ~~current certificates of compliance have been issued under subdivision 4 for the vehicles used by the operator to provide~~ operator providing the service has a current certificate of compliance issued under subdivision 4a.

Sec. 8. Minnesota Statutes 1986, section 473.386, subdivision 1, is amended to read:

Subdivision 1. [PROJECT SERVICE OBJECTIVES.] The transit board shall implement a ~~project to coordinate~~ special transportation service, as defined in section 174.29, in the metropolitan area. The project service has the following objectives:

(a) to provide greater access to transportation for the elderly, handicapped, and others with special transportation needs in the metropolitan area;

(b) to develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner; and

(c) to use existing public and private providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

Sec. 9. Minnesota Statutes 1986, section 473.386, subdivision 2, is amended to read:

Subd. 2. [FINANCING; IMPLEMENTATION SERVICE CONTRACTS; MANAGEMENT AND; ADVISORY GROUPS COMMITTEE.] (a) The board shall contract for services necessary for the ~~project's operation~~ provision of special transportation. All transportation service ~~provided through the project~~ must be provided under a contract between the board and the provider which specifies the service to be provided, the standards that must be met, and the rates for providing it operating and providing special transportation services.

(b) The board shall establish management policies for the ~~project service but shall contract with a service administrator for day-to-day administration and management of the service.~~ The contract must delegate to the service administrator clear authority to administer and manage the delivery of the service pursuant to board manage-

ment policies and must establish performance and compliance standards for the service administrator.

(c) The board shall ensure that the service administrator establishes a system for registering and expeditiously responding to complaints by users, informing users of how to register complaints, and requiring providers to report on incidents that impair the safety and well-being of users or the quality of the service. The board shall annually report to the commissioner of transportation and the legislature on complaints and provider reports, the response of the service administrator, and steps taken by the board and the service administrator to identify causes and provide remedies to recurring problems.

(d) Within 90 days following the effective date of this act, the board shall hold a public hearing on standards for provider eligibility, selection, performance, compliance, and evaluation; the terms of provider contracts and the contract with the service administrator and related contract management policies and procedures of the board; fare policies; service areas, hours, standards, and procedures; and similar matters relating to implementation of the service. Each year before renewing contracts with providers and the service administrator, the board shall provide an opportunity for the advisory committee, users, and other interested persons to testify before the board concerning providers, contract terms, and other matters relating to board policies and procedures for implementing the service.

(e) The board shall establish an advisory committee of individuals representing the. The advisory committee must include elderly, and handicapped persons, and other users of special transportation service provided by the project, representatives of persons contracting to provide special transportation services for the project, and representatives of appropriate agencies for elderly and handicapped persons to advise the board on management policies for the project service. At least half the committee members must be disabled or elderly persons or the representatives of disabled or elderly persons. The advisory committee must be appointed as follows: board members, including the chair, shall each appoint one member to the committee, and the state council for the handicapped, metropolitan senior federation, and metropolitan center for independent living shall each appoint one member to the committee. Committee members appointed by the board members, including the chair of the board, serve a two-year term. The committee shall elect its chair from among the members of the committee. The chair serves for a term of one year.

Sec. 10. Minnesota Statutes 1986, section 473.386, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF BOARD.] In implementing the project special transportation service the board shall:

(a) encourage participation in the ~~project~~ service by public and private providers of special transportation ~~service~~ currently receiving capital or operating assistance from a public agency;

(b) contract with public and private providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using service provided through the project special transportation to use the type of service most appropriate to their particular needs;

(d) ensure that all persons providing special transportation service through the project receive equitable treatment in the allocation of the ridership;

(e) encourage shared rides to the greatest extent practicable;

(f) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with the project this service and to allow reimbursement for services transportation provided through the project service at rates that reflect the public cost of providing those services that transportation; and

(g) establish criteria to be used in determining individual eligibility for special transportation services;

(h) consult with the advisory committee in a timely manner before changes are made in the provision of special transportation services, including, but not limited to, changes in policies affecting the matters subject to hearing under section 9;

(i) provide for effective administration and enforcement of board policies and standards; and

(j) annually evaluate providers of special transportation service to ensure compliance with the standards established for the program.

Sec. 11. Minnesota Statutes 1986, section 473.386, subdivision 4, is amended to read:

Subd. 4. [COORDINATION REQUIRED.] The board may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the project board's special transportation service in the manner determined by the board.

Sec. 12. Minnesota Statutes 1986, section 473.386, subdivision 6, is amended to read:

Subd. 6. [OPERATING AND SERVICE STANDARDS.] ~~A vehicle providing special transportation service which is subject to the operating standards adopted pursuant to section 174.30 may not be allowed to provide service through the project unless a current certificate of compliance has been issued to the vehicle. A person operating or assisting the operation of a vehicle may leave the vehicle to enter premises in order to help a passenger who does not require emergency ambulance service. Operators and assistants shall provide the help necessary for door-through-door service, including help in entering and leaving the vehicle and help through the exterior entrance and over any exterior steps at either departure or destination buildings, provided that both the steps and the wheelchair are in good repair. If an operator or assistant refuses help because of the condition of the steps or the wheelchair, the operator of the service shall send letters to the service administrator designated by the board and the person denied service describing the corrective measures necessary to qualify for service.~~

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 473.386, subdivision 7, is repealed.

Sec. 14. [APPLICATION.]

Sections 8 to 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; providing for standards for special transportation service; requiring changes in the administration of special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, and 6; repealing Minnesota Statutes 1986, section 473.386, subdivision 7."

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1028, A bill for an act relating to labor; regulating mediation, fact finding, and other functions of the bureau of medi-

ation services; providing for violations of the labor union democracy act; amending Minnesota Statutes 1986, sections 179.02, subdivision 2, and by adding a subdivision; 179.07; 179.08; 179.083; 179.22; 179.38; proposing coding for new law in Minnesota Statutes, chapter 179; repealing Minnesota Statutes 1986, sections 179.05; 179.23; and 179.24.

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

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 1032, A bill for an act relating to human services; changing standards of assistance and eligibility for general assistance recipients and work readiness participants; amending Minnesota Statutes 1986, sections 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 4 and 5; 256D.06, subdivisions 1 and 2; 256D.08, subdivision 1; 256D.101; and 256D.15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (1) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. ~~To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance.~~ The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

~~For a recipient who is a member of a one-person assistance unit, the standard shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative. The standards of assistance for recipients who are members of an assistance unit composed of more than one person must be equal to the aid to families with dependent children standard of assistance for a family of similar size and composition.~~

The standards shall be lowered for recipients who share a residence with a person who is a responsible relative of one or more members of the assistance unit if the responsible relative also receives general assistance or aid to families with dependent children. The standards must also be lowered for recipients who share a residence with a responsible relative if the relative is not receiving general assistance or aid to families with dependent children because the relative has been sanctioned or disqualified. If the responsible relative is receiving general assistance or aid to families with dependent children, or would be receiving them but for sanction or disqualification, then the standard applicable to the general assistance recipient's assistance unit must equal the amount that would be attributable to the members of the assistance unit if the members were included as additional recipients in the responsible relative's general assistance or aid to families with dependent children grant. When determining the amount attributable to members of an assistance unit that must receive a reduced standard, the amount attributed to adults must be the amount attributed to another child added to the responsible relative's assistance unit. When an assistance unit is subject to a reduced standard, the reduced standard must not exceed the standard that applies to an assistance unit that does not share a residence with a responsible relative.

For recipients, except recipients who are eligible under section 256D.05, subdivision 1, paragraph (a), clauses (1), (7), (8), (9), and (14), who share a residence with a responsible relative who is not receiving general assistance or aid to families with dependent children but who receives other income, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant to the one-person assistance unit shall be in an amount such that total household income is equal to the aid to families with dependent children standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, the social security retirement program if the relative was receiving benefits under the social security disability program at the time of becoming eligible for the social security retirement program or if the relative is a person described in section 256D.05, subdivision 1, paragraph (a), clause (1), (7), or (9), the social security disability program, a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

(2) For an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from his or her children and spouse, and who does not live with his or her parent or parents or a legal custodian, the standard of assistance shall be \$203. When the

other standards specified in this subdivision increase, this standard shall also be increased by the same percentage.

(3) For an assistance unit consisting of an adult who is childless and unmarried or living apart from his or her children and spouse, but who lives with his or her parent or parents, the general assistance standard of assistance shall be equal to the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, provided that the standard shall not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, shall not be counted in the determination of eligibility or benefit level for the assistance unit. An adult child shall be ineligible for general assistance if the available resources or the countable income of the adult child and the parent or parents with whom he or she lives are such that a family consisting of the adult child's parent or parents, the parent or parents' other family members and the adult child as the only or additional minor child would be financially ineligible for general assistance.

(4) For an assistance unit consisting of a married couple who are childless or who live apart from any child or children of whom either of the married couple is a parent or legal custodian, the standards of assistance shall be equal to the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, then the standard of assistance for the other shall be equal to the second adult standard of the aid to families with dependent children program, except that, when one member of the couple is not included in the general assistance grant because he or she is not categorically eligible for general assistance under section 256D.05, subdivision 1, and has exhausted work readiness eligibility under section 256D.051, subdivision 4 or 5, for the period of time covered by the general assistance grant, then the standard of assistance for the remaining member of the couple shall be equal to the first adult standard of the aid to families with dependent children program.

(5) For an assistance unit consisting of all members of a family, the standards of assistance shall be the same as the standards of assistance applicable to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the

family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members shall be equal to the standards of assistance applicable to an assistance unit composed of the entire family, less the standards of assistance applicable to a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. Notwithstanding the foregoing, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit shall be equal to the special child standard of the aid to families with dependent children program. A child shall not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program; supplemental security income; retirement, survivors, and disability income; other assistance programs; or child support and maintenance payments. The income of a child who is excluded from the assistance unit shall not be counted in the determination of eligibility or benefit level for the assistance unit.

Sec. 2. Minnesota Statutes 1986, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means two or more individuals who are related by blood, marriage or adoption, who are living in a place or residence maintained by one or more of them as a home, and at least one of whom is a child who is not married to another of such individuals and is in the care of or dependent upon another of such individuals the following persons who live together: a minor child or a group of minor children related to each other as siblings, half siblings, or stepsiblings, together with their natural or adoptive parents, their stepparents, or their legal custodians, and any other minor children of whom an adult member of the family is a legal custodian.

Sec. 3. Minnesota Statutes 1986, section 256D.02, subdivision 8, is amended to read:

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

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, inter-



est and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is under a legal duty to support another a family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, must be included as income.

Sec. 4. Minnesota Statutes 1986, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance if the person or family is:

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

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

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

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;

(7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

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

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

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause;

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of jobs and training;

(13) a person who is certified by the commissioner of jobs and training before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of jobs and training in consultation with the commissioner; or

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be functionally illiterate or learning disabled; or

(15) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the local agency or a designated representative as a component of a social

services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the local agency.

(b) The following persons or families with income and resources that are less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

(1) a person who has borderline mental retardation; and

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

Sec. 5. Minnesota Statutes 1986, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] A person ~~or~~<sup>2</sup> family, or married couple whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible to receive general assistance under section 256D.05, subdivision 1, are eligible for a work readiness program. Upon registration, a registrant is eligible to receive assistance in an amount equal to general assistance under section 256D.05, subdivision 1, for a maximum of six months during any consecutive 12-month period, subject to ~~subdivisions~~ subdivision 3, 4, and 5. The local agency shall pay work readiness assistance in monthly payments beginning at the time of registration.

Sec. 6. Minnesota Statutes 1986, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [LOCAL AGENCY OPTIONS ALLOCATION OF FUNDS FOR PAYMENT OF ADMINISTRATIVE COSTS AND REGISTRANT EXPENSES.] The local agency may, at its option, provide up to \$100 per registrant for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. The local agency may provide an additional \$100 for direct expenses of registrants remaining in the work readiness program for more than two months. After paying direct expenses as needed by individual registrants, the local agency may use any remaining money to provide additional services as needed by any

registrant including education, orientation, placement, other work experience, on-the-job training, and other appropriate activities. Subject to the amount appropriated by the legislature, funds must be allocated annually among the counties for payment of administrative costs incurred by the provider of work readiness services and for payment of direct expenses incurred by work readiness registrants. Each county shall be eligible to receive that proportion of the funds available which equals the monthly average number of work readiness participants in the county divided by the monthly average number of work readiness participants in the state for the applicable period. The applicable period for each fiscal year shall be the 12-month period ending March 31 of the prior fiscal year. For purposes of this subdivision, the term participants means individuals receiving work readiness payments and services and general assistance recipients receiving work readiness services.

Sec. 7. Minnesota Statutes 1986, section 256D.051, is amended by adding a subdivision to read:

Subd. 6a. [COUNTY MATCH AND USE OF FUNDS.] Each county shall provide a 25 percent match of the annual state work readiness allocation and may contract with an employment and training service provider to use the funds to pay direct participation expenses and administrative costs of providing work readiness services. No more than 25 percent of the allocation may be used for administrative costs except that any funds remaining after payment of direct participation expenses may be used for additional administrative costs. Funds may be used for the following direct participation expenses: transportation, clothes, tools, and other necessary work-related expenses. Funds may be used for administrative costs incurred providing the following services: employability assessments and employability development plans, employment search assistance, education, orientation, placement, on-the-job training, and other appropriate activities.

Sec. 8. Minnesota Statutes 1986, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual, married couple, or family, the total amount equals the applicable standard of assistance established by the commissioner for general assistance. In determining eligibility for and the amount of assistance the local agency shall disregard the first \$50 of earned income per month.

Sec. 9. Minnesota Statutes 1986, section 256D.06, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual,

married couple, or family for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder. If a recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the recipient of the procedure for applying for assistance pursuant to this subdivision.

Sec. 10. Minnesota Statutes 1986, section 256D.08, subdivision 1, is amended to read:

Subdivision 1. In determining eligibility of a family, married couple, or individual there shall be excluded the following resources:

(1) Real or personal property or liquid assets which do not exceed those permitted under the federally aided assistance program known as aid to families with dependent children; and

(2) Other property which has been determined, in accordance with and subject to limitations contained in rules promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule the conditions for those situations in which property not excluded under this subdivision may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family; and

(3) Payments, made pursuant to litigation and subsequent appropriation by the United States Congress, of funds to compensate members of Indian tribes for the taking of tribal land by the federal government.

Sec. 11. Minnesota Statutes 1986, section 256D.101, is amended to read:

256D.101 [FAILURE TO COMPLY WITH WORK REQUIREMENTS; NOTICE.]

Subdivision 1. [DISQUALIFICATION.] If the local agency determines that a registrant has failed to comply with the requirements of section 256D.051, the local agency shall notify the registrant of the determination. The notification shall be in writing; shall state the facts that support the local agency's determination; shall specify the particular actions that must be taken by the registrant to achieve compliance; shall state that the recipient must take the

specified actions by a date certain, which must be at least ~~15~~ ten days following the date the notification is mailed or delivered to the registrant; shall explain the ramifications of the registrant's failure to take the required actions by the specified date; and shall advise the registrant that the registrant may request and have a conference with the local agency to discuss the notification.

Subd. 2. [NOTICE OF GRANT REDUCTION, SUSPENSION, OR TERMINATION.] ~~No~~ The notice of grant reduction, suspension, or termination on the ground that a registrant has failed to comply with section 256D.051 shall be ~~given~~ mailed or hand delivered by the local agency ~~until the notification required by subdivision 1 has been given, the time for compliance stated in the notification has lapsed, and the local agency has, subsequent~~ concurrently with the notification required by subdivision 1. Prior to giving the notification, ~~assessed the local agency must assess the registrant's eligibility for general assistance under section 256D.05 to the extent possible using information contained in the case file, and determined~~ determine that the registrant is not eligible under that section. The determination that the registrant is not eligible shall be stated in the notice of grant reduction, suspension, or termination.

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Assistance payments otherwise due to the registrant under section 256D.051 shall not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance or, within five days after the effective date stated in the notice, files an appeal of the grant reduction, suspension, or termination. If, by the required date, the registrant does take the specified action necessary to achieve compliance, both the notification required by subdivision 1 and the notice required by subdivision 2 shall be canceled and all benefits due to the registrant shall be paid promptly. If, by the required date, the registrant files an appeal of the grant reduction, suspension, or termination, benefits otherwise due to the registrant shall be continued pending the outcome of the appeal.

Sec. 12. Minnesota Statutes 1986, section 256D.15, is amended to read:

#### 256D.15 [RELATIVE'S RESPONSIBILITY.]

The financial responsibility of a relative for an applicant for or recipient of general assistance or work readiness shall not extend beyond the relationship of a spouse or a parent of an adult child who resides with the parent, or the parent of a minor child regardless of where the minor child resides, or a family member who resides with the applicant or recipient.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 256D.051, subdivisions 4, 5, 11, and 12 are repealed."

Delete the title and insert:

"A bill for an act relating to human services; changing standards of assistance and eligibility for general assistance recipients and work readiness participants; amending Minnesota Statutes 1986, sections 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.05, subdivision 1; 256D.051, subdivisions 1, 6, and by adding a subdivision; 256D.06, subdivisions 1 and 2; 256D.08, subdivision 1; 256D.101; and 256D.15; repealing Minnesota Statutes 1986, section 256D.051, subdivisions 4, 5, 11, and 12."

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

The report was adopted.

Greenfield from the Committee on Health and Human Services to which was referred:

H. F. No. 1044, A bill for an act relating to human services; requiring medical assistance payment for personal care attendant services to hospitalized ventilator-dependent recipients; amending Minnesota Statutes 1986, section 256B.02, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [256B.64] [ATTENDANTS TO VENTILATOR-DEPENDENT RECIPIENTS.]

A ventilator-dependent recipient of medical assistance who has been receiving the services of a private duty nurse or personal care assistant in the recipient's home may continue to have a private duty nurse or personal care assistant present upon admission to a hospital licensed under chapter 144. The hospital, physicians and hospital staff, consistent with the standards of care in the medical community, shall at all times retain final decision-making authority and otherwise retain responsibility for the care and treatment of the ventilator-dependent patient. The personal care assistant or private duty nurse shall perform the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety and personal care needs of the patient. The personal care assistant or private duty nurse may offer nonbinding advice to

the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. After the 120-hour transition period, an assessment may be made by the ventilator-dependent patient, the attending physician and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant is necessary and appropriate for the patient's needs. If continued service is necessary and appropriate, the physician must certify this need to the commissioner of human services in order to continue payments. The commissioner may adopt rules necessary to implement this section.

Sec. 2. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1989, to provide reimbursement to the personal care assistants or private duty nurses for their services provided in a hospital under section 1 at the payment rate and in a manner consistent with the payment rate and manner used in reimbursing these providers for home care services for the ventilator-dependent recipient."

Delete the title and insert:

"A bill for an act relating to human services; providing for continued attendant services for ventilator-dependent recipients in hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B."

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

The report was adopted.

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

H. F. No. 1060, A bill for an act relating to the state building code; changing certain provisions relating to public buildings; amending Minnesota Statutes 1986, sections 16B.60, subdivisions 3 and 6; 16B.61, by adding a subdivision; and 16B.71.

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

The report was adopted.



Sarna from the Committee on Commerce to which was referred:

H. F. No. 1073, A bill for an act relating to occupations and professions; providing advertising restrictions for plumbers; imposing penalties; amending Minnesota Statutes 1986, section 326F.75.

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

The report was adopted.

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

H. F. No. 1105, A bill for an act relating to retirement; Minneapolis police relief association service pensions and survivor benefits; amending Laws 1949, chapter 406, section 5, subdivisions 1 and 3, as amended, and section 6, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Laws 1980, chapter 607, article 15, section 9, is amended to read:

Sec. 9. [HEALTH AND WELFARE BENEFIT.] Notwithstanding any law to the contrary, any person who, after July 1, 1980, retires on a service pension with at least 20 years of service or a disability benefit from the Minneapolis police relief association or the Minneapolis firefighters relief association shall be entitled on January 1, 1981, or upon the date of retirement, whichever occurs later, to receive a monthly health and welfare benefit unless the city of Minneapolis elects to retain the local relief association by the adoption of a municipal resolution pursuant to section 4, subdivision 1. The monthly health and welfare benefit shall be an amount equal to one unit as defined pursuant to Laws 1963, Chapter 315, Section 1, Subdivision 3, for the Minneapolis police relief association, or Minnesota Statutes, Section 69.45, for the Minneapolis firefighters relief association, whichever is applicable. The monthly health and welfare benefit shall be paid to the retired member unless the retired member designates in writing that the amount be paid to an insurance carrier to defray the cost of any health or welfare related insurance coverage.

Sec. 2. Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended by Laws 1953, chapter 127, section 4; Laws 1965, chapter 534, section 1; Laws 1967, chapter 825, section 1; Laws 1969, chapter 258, section 1; Laws 1973, chapter 272, section 1; Laws 1975, chapter

428, section 1; and Laws 1983, chapter 88, section 7, is amended to read:

Sec. 7. [MINNEAPOLIS, CITY OF; POLICEMEN'S PENSIONS.]

The policemen's pension fund shall be used only for the payment of:

(a) Service, disability or dependency pensions;

(b) Salaries of the secretary of the association in an amount not to exceed 30 percent of the base salary of a top-grade patrolman and of the president of the association in an amount not to exceed ten percent of the base salary of a top-grade patrolman;

(c) Expenses of officers and employees of the association in connection with the protection of the fund;

(d) All expenses of operating and maintaining the association;

(e) Hospital and medical insurance for pensioners who have completed 20 years or more of service and widows surviving spouses of deceased active members and service pensioners who have completed 20 years or more of service of one unit per month, such one unit to be added to the pension otherwise provided for herein; provided that a pensioner or widow surviving spouse may in writing authorize a deduction from their pension for an insurance plan adopted by the association;

(f) Health and welfare benefits of one unit per month in addition to other benefits for members who retire after July 1, 1980 and have completed 20 years or more of service; and

(g) Other expenses authorized by law."

Renumber the subsequent sections

Page 1, line 17, strike "of the age of 50 years or more,"

Page 1, line 18, delete "upon reaching at least age 50"

Page 1, line 19, before "performed" insert "has"

Page 1, line 21, delete "or" and insert "and"

Page 1, line 22, before "paid" insert "entitled to be"

Page 4, line 1, after "spouse" insert "of a deceased active member, a pension of 18 units per month for life. If the surviving spouse remarries, the pension shall cease as of the date of the remarriage.

(b) To the surviving spouse of a deceased, deferred, or retired member"

Page 4, line 7, strike "(b)" and before "To" insert "(c)" and after "child" insert "of a deceased active member"

Page 4, after line 12, insert:

"(d) To each child of a deceased, deferred, or retired member, a pension of 1.5 units per month plus three-tenths of one unit per month for every year of service of the decedent beyond five years to a maximum of six units until the child reaches the age of 18 years; or in the case of a child in full-time attendance during the normal school year, in a school approved by the board of directors, until the child receives a bachelor's degree or attains the age of 22 years, whichever is first."

Page 4, line 17, delete "3" and insert "5"

Amend the title accordingly

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1127, A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1986, section 216B.02, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [216B.163] [FLEXIBLE TARIFFS.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Effective competition" means the ability of customers of a gas utility who either receive interruptible service or whose daily gas requirements exceed 50,000 cubic feet to get the same, equivalent, or substitutable energy supplies or service at comparable prices from energy suppliers that are not regulated by the commission.

(c) "Flexible tariff" means a rate schedule under which a gas utility may set or change the price for its service to an individual customer or group of customers without prior approval of the commission within a range of prices determined by the commission to be just and reasonable.

Subd. 2. [FLEXIBLE TARIFFS PERMITTED.] Notwithstanding any other provision of this chapter, the commission is authorized to approve a flexible tariff for any class of customers of a gas utility when provision of service, including the sale or transportation of gas, to any customers within the class is subject to effective competition. Upon application of a gas utility, the commission shall find that effective competition exists for a class of customers taking interruptible service at a level exceeding 199,000 cubic feet per day. Customers within a class subject to effective competition may elect to take service either under the flexible tariff or under the appropriate nonflexible tariff for that class of service set in accordance with section 216B.03, provided that a customer that uses an alternative energy supply or service for reasons of price shall be deemed to have elected to take service under the flexible tariff.

Subd. 3. [ESTABLISHING OR CHANGING A FLEXIBLE TARIFF.] The commission may establish a flexible tariff through a miscellaneous rate filing only if the filing does not seek to recover any expected foregone revenues from any customers who do not take service under the flexible tariff, nor to change any other rates. If a gas utility requests authority to establish a flexible tariff and as part of that request seeks to recover any expected foregone revenues from any customers who do not take service under the flexible tariff or to change any other rates the commission may only establish that flexible tariff within a general rate case for that gas utility. The commission may only change the rates in a flexible tariff within a gas utility's general rate case.

Subd. 4. [RATES AND TERMS OF SERVICE.] Whenever the commission authorizes a flexible tariff, it shall set the terms, and conditions of service for that tariff, which shall include:

(1) that the minimum rate for the tariff recover at least the incremental cost of providing the service;

(2) that there is no upward maximum for the rate;

(3) that a customer who elects to take service under the flexible tariff remain on that tariff for a reasonable period of time, which shall not be less than one year; and

(4) that any customer changing from a flexible tariff to the appropriate nonflexible tariff for that class pay all costs incurred by the utility due to that change.

Subd. 5. [RECOVERY OF FOREGONE REVENUES.] In a general rate case which establishes a flexible tariff for a gas utility, and in each general rate case of a gas utility for which a flexible tariff has been authorized, the commission shall determine a projected level of revenues and expenses from services under that tariff based on a single target rate for all sales under that tariff, which projection shall be used to determine the utility's overall rates. That target rate used to establish a level of projected revenues shall not limit the gas utility's ability or right to set rates for any customer taking service under the flexible tariff.

Subd. 6. [INTERIM FLEXIBLE TARIFF.] Notwithstanding section 216B.16, subdivision 3, if a gas utility files with the commission to establish or change a flexible tariff the commission shall permit the proposed flexible tariff to take effect on an interim basis no later than 30 days after filing. If any customers receive an increase in rates during the period that an interim flexible tariff is in effect, the increase is subject to refund as provided in section 216B.16, subdivision 3. The gas utility shall provide ten days written notice, or other notice as may be established by contract not to exceed 30 days, to a customer before implementing an interim rate increase for that customer under this section.

Subd. 7. [FINAL DETERMINATION.] The commission shall make a final determination in a proceeding begun under this section for approval of a flexible tariff, other than a filing made within a general rate case, within 180 days of the filing by the gas utility.

## Sec. 2. [STUDY.]

The department of public service shall review the operation and effects of all gas utility flexible tariffs approved under section 1, and shall report to the legislature by February 1, 1990.

## Sec. 3. [COST RECOVERY.]

The department of public service shall recover from the gas utilities utilizing the flexible rate tariff not more than a total of \$10,000 for the use of the study required in section 2. Each utility shall be assessed an equal share of the cost of the study.

## Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment, and are repealed effective July 1, 1990."

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon and insert "requiring the department of public service to conduct a study; providing for recovery of study costs"

Page 1, delete line 5

Page 1, line 6, delete "subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1141, A bill for an act relating to the city of Champlin; permitting the city to use unexpended public improvement funds for a low-income special assessment grant program.

Reported the same back with the following amendments:

Page 1, line 9, delete "until December 31, 1988," and delete "unexpended"

Page 1, line 10, delete "reverted" and insert "been lawfully transferred"

Page 1, line 11, delete "defray the cost of" and insert "assist low-income homeowners in paying"

Page 1, line 12, delete "property owners" and insert "their homesteads"

Page 1, line 19, after "other" insert "eligibility" and delete "that"

Page 1, line 21, after "DATE" insert "; REPEALER"

Page 1, line 23, delete "this act takes" and insert "sections 1 and 2 take"

Page 1, line 24, after the period insert "Sections 1 and 2 are repealed December 31, 1992."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1156, A bill for an act relating to Traverse county; allowing a property tax levy for the county agricultural society.

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1164, A bill for an act relating to employment; requiring notification of certain exposures to infectious diseases; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 1, line 14, after "firefighter," insert "correctional officer."

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1224, A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county.

Reported the same back with the following amendments:

Page 3, after line 3, insert:

"Sec. 6. [LODGING TAX IN TOWNS.]

Notwithstanding Minnesota Statutes, section 477A.016, or other law, the Cook county board may impose a tax of up to two percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the towns of Lutsen, Tofte, and Schroeder. The tax may be imposed in one or more of the towns. The tax may be imposed in a town only with the agreement of the town expressed by its voters at an annual or special meeting. The tax shall be collected by and its proceeds paid to the county. The proceeds of the tax shall be dedicated for the construction, debt service, and maintenance of a public recreational facility within the towns."

Renumber the remaining section

Page 3, line 5, delete "This act is" and insert "Sections 1 to 5 are"

Page 3, line 7, after the period insert "Section 6 is effective the day after final enactment."

Amend the title as follows:

Page 1, line 4, after "county" insert "; authorizing a lodging tax in certain towns"

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1225, A bill for an act relating to employment; requiring certain employers to make available a plan of health care coverage to all employees; proposing coding for new law in Minnesota Statutes, chapter 177.

Reported the same back with the following amendments:

Page 1, line 11, delete "ten" and insert "20"

Page 1, line 18, after "week" insert ", but does not include independent contractors"

Page 3, line 3, delete "and" and insert "or"

With the recommendation that when so amended the bill pass.

The report was adopted.



Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1267, A bill for an act relating to insurance; correcting certain errors; removing ambiguities; expanding certain insurers' investment authority; authorizing the commissioner to adopt investment rules; providing for miscellaneous changes and clarification; amending Minnesota Statutes 1986, section 60A.11, subdivisions 10, 11, 13, 14, 15, 17, 18, 19, 21, 23, 24, 26, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 60A.11, subdivision 10, is amended to read:

Subd. 10. [DEFINITIONS.] The following terms have the meaning assigned in this subdivision for purposes of this section and section 60A.11:

(a) "Admitted assets," for purposes of computing percentage limitations on particular types of investments, means the assets as shown by the company's annual statement, required by section 60A.13, as of the December 31 immediately preceding the date the company acquires the investment;

(b) "Clearing corporation" means The Depository Trust Company or any other clearing agency registered with the federal securities and exchange commission pursuant to the Federal Securities Exchange Act of 1934, section 17A, Euro-clear Clearance System Limited and CEDEL S.A., and, with the approval of the commissioner, any other clearing corporation as defined in section 336.8-102;

(c) "Control" has the meaning assigned to that term in, and must be determined in accordance with, section 60D.01, subdivision 4;

(d) "Custodian bank" means a bank or trust company or a branch of a bank or trust company that is acting as custodian and is supervised and examined by state or federal authority having supervision over the bank or trust company or with respect to a company's foreign investments only by the regulatory authority having supervision over banks or trust companies in the jurisdiction in which the bank, trust company, or branch is located, and specifically includes Euro-clear Clearance System Limited and CEDEL S.A., acting as custodians;

(e) "Issuer" means the corporation, business trust, governmental unit, partnership, association, individual or other entity which issues or on behalf of which is issued any form of obligation;

(f) "Member bank" means a national bank, state bank or trust company which is a member of the Federal Reserve System;

(g) "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada;

(h) "Obligations" include bonds, notes, debentures, transportation equipment certificates, repurchase agreements, bank certificates of deposit, time deposits, bankers' acceptances, and other obligations for the payment of money not in default as to payments of principal and interest on the date of investment, whether constituting general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment. Leases are considered obligations if the lease is assigned for the benefit of the company and is nonterminable by the lessee or lessees thereunder upon foreclosure of any lien upon the leased property, and rental payments are sufficient to amortize the investment over the primary lease term;

(i) "Qualified assets" means the sum of (1) all investments qualified in accordance with this section other than investments in affiliates and subsidiaries, (2) investments in obligations of affiliates as defined in section 60D.01, subdivision 2 secured by real or personal property sufficient to qualify the investment under subdivision 19 or 23, (3) qualified investments in subsidiaries, as defined in section 60D.01, subdivision 9, on a consolidated basis with the insurance company without allowance for goodwill or other intangible value, and (4) cash on hand and on deposit, agent's balances or uncollected premiums not due more than 90 days, assets held pursuant to section 60A.12, subdivision 2, investment income due and accrued, funds due or on deposit or recoverable on loss payments under contracts of reinsurance entered into pursuant to section 60A.09, premium bills and notes receivable, federal income taxes recoverable, and equities and deposits in pools and associations;

(j) "Qualified net earnings" means that the net earnings of the issuer after elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than  $1\frac{1}{4}$  times its average annual fixed charges applicable to the period;

(k) "Required liabilities" means the sum of (1) total liabilities as required to be reported in the company's most recent annual report to the commissioner of commerce of this state, (2) for companies operating under the stock plan, the minimum paid-up capital and

surplus required to be maintained pursuant to section 60A.07, subdivision 5a, (3) for companies operating under the mutual or reciprocal plan, the minimum amount of surplus required to be maintained pursuant to section 60A.07, subdivision 5b, and (4) the amount, if any, by which the company's loss and loss adjustment expense reserves exceed 350 percent of its surplus as it pertains to policyholders as of the same date. The commissioner may waive the requirement in clause (4) unless the company's written premiums exceed 300 percent of its surplus as it pertains to policyholders as of the same date. In addition to the required amounts pursuant to clauses (1) to (4), the commissioner may require that the amount of any apparent reserve deficiency that may be revealed by one to five year loss and loss adjustment expense development analysis for the five years reported in the company's most recent annual statement to the commissioner be added to required liabilities; and

(1) "Unrestricted surplus" means the amount by which qualified assets exceed 110 percent of required liabilities.

Sec. 2. Minnesota Statutes 1986, section 60A.11, subdivision 26, is amended to read:

Subd. 26. [RULES.] (a) The commissioner may ~~promulgate~~ adopt appropriate rules to carry out the purpose and provisions of this section.

(b) A company may make qualified investments in any additional securities or property of any kind with the written order of the commissioner. This approval is at the discretion of the commissioner.

(c) Nothing authorized in this subdivision negates or reduces the investment authority granted in subdivisions 1 to 25.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to insurance; regulating investments of domestic companies; defining terms; providing additional investment authority; amending Minnesota Statutes 1986, section 60A.11, subdivisions 10 and 26."

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1302, A bill for an act relating to Itasca county; permitting the county to levy a tax for economic development.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1370, A bill for an act relating to Scott county; authorizing the issuance of county bonds for capital improvements.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

S. F. No. 457, A bill for an act relating to commerce; regulating collection agencies and those acting under the authority of a collection agency; providing cash deposits in lieu of the required bond; establishing prohibited practices; prescribing the enforcement powers of the commissioner; amending Minnesota Statutes 1986, sections 332.31, by adding a subdivision; 332.33; 332.34; 332.37; and 332.40, subdivision 3.

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

The report was adopted.

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

House Resolution No. 6, A House resolution extending congratulations to the citizens of Bemidji on their 50th Anniversary celebration of the arrival of Paul Bunyan and his Blue Ox, Babe, to the city's waterfront.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

MARTIN J. MCGOWAN

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Martin J. McGowan to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Martin J. McGowan, 19807 State Highway 15, Kimball, Stearns County, effective January 19, 1987, for a term expiring the first Monday in January 1991. The motion prevailed and the appointment of Martin J. McGowan was confirmed by the House.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

JUDITH GILBERT SCHOTZKO

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Judith Gilbert Schotzko to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

## CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Judith Gilbert Schotzko, Rural Route No. 1, Box 42, Blue Earth, Faribault County, effective January 19, 1987, for a term expiring the first Monday in January 1991. The motion prevailed and the appointment of Judith Gilbert Schotzko was confirmed by the House.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred the following appointment:

## ETHICAL PRACTICES BOARD

## DOUGLAS R. EWALD

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Douglas R. Ewald to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

## CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Douglas R. Ewald, 15025 Highland Trail, Minnetonka, Hennepin County, effective November 3, 1986, for a term expiring the first Monday in January 1988. The motion prevailed and the appointment of Douglas R. Ewald was confirmed by the House.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 200, 291, 298, 308, 332, 404, 499, 534, 556, 629, 643, 654, 677, 755, 772, 823, 836, 839, 845, 924, 948, 983, 999, 1028, 1060, 1073, 1105, 1127, 1141, 1164, 1224, 1225 and 1267 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. No. 457 was read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Wenzel introduced:

H. F. No. 1459, A bill for an act relating to the town of Irondale; removing a town levy limitation; repealing Laws 1971, chapter 336.

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

Quinn, Kahn, Begich, Simoneau and Bennett introduced:

H. F. No. 1460, A bill for an act relating to athletic and sporting events; creating the Minnesota amateur sports commission and providing its powers and duties; requiring the sponsorship of certain amateur athletic events; authorizing an admission tax; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 240A.

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

Segal and Kalis introduced:

H. F. No. 1461, A bill for an act relating to transportation; transferring two routes in Hennepin county from county state-aid system to trunk highway system; transferring right-of-way ownership from Hennepin county to commissioner of transportation; amending Minnesota Statutes 1986, section 161.117; Laws 1986, chapter 452, section 32; proposing coding for new law in Minnesota Statutes, chapter 161.

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

Hartle; Carlson, D.; Stanius; Sarna and Battaglia introduced:

H. F. No. 1462, A bill for an act relating to game and fish; authorizing free fishing licenses for certain disabled employees; amending Minnesota Statutes 1986, section 97A.441, subdivision 1.

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

Segal introduced:

H. F. No. 1463, A bill for an act relating to transportation; appropriating money to the commissioner of transportation to acquire certain parcels of real property; establishing certain conditions for expenditures for construction of interstate highway 394 after June 30, 1988.

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

Solberg, Milbert, Neuenschwander, Rodosovich and Dempsey introduced:

H. F. No. 1464, A bill for an act relating to unclaimed property; enacting the Uniform Unclaimed Property Act (1981); amending Minnesota Statutes 1986, sections 80C.03; 149.12; 198.231; 345.25; 356.65, subdivision 2; and 624.68; proposing coding for new law in Minnesota Statutes, chapter 345; repealing Minnesota Statutes 1986, sections 345.31 to 345.60.

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

Rukavina; Johnson, R.; Kahn; Battaglia and Carlson, D., introduced:

H. F. No. 1465, A bill for an act relating to economic development; providing training and employment for low income seniors; creating the hospitality host older worker tourism program; prescribing duties for the commissioner of the department of jobs and training; appropriating money.

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

Bertram and Bauerly introduced:

H. F. No. 1466, A bill for an act relating to watercraft safety; limiting the towing of water skiers and other devices by watercraft to certain daylight hours; amending Minnesota Statutes 1986, section 361.09, subdivision 2.

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



Bertram and Bauerly introduced:

H. F. No. 1467, A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1986, section 169.725.

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

Carlson, L.; Haukoos; Kelly; Dorn and Johnson, R., introduced:

H. F. No. 1468, A bill for an act relating to education; adopting a common course numbering system for higher education; assigning the planning for implementation of a common course numbering system for higher education to a task force assisted by the staff of the higher education coordinating board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Wenzel; Olson, E.; Beard; Carlson, D., and Kalis introduced:

H. F. No. 1469, A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, section 169.81, by adding a subdivision.

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

Poppenhagen introduced:

H. F. No. 1470, A bill for an act relating to firearms; removing the requirement that firearms be encased or placed in the vehicle trunk while being transported; amending Minnesota Statutes 1986, section 97B.045.

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

Gutknecht, Frederick, Tjornhom, Dille and Bertram introduced:

H. F. No. 1471, A bill for an act relating to workers' compensation; regulating the content of notices; amending Minnesota Statutes 1986, section 176.84.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Nelson, K.; Skoglund; Wagenius; Riveness and Tjornhom introduced:

H. F. No. 1472, A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to reduce noise at an airport; restricting capital development; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Quinn, Voss, Munger, Bennett and Simoneau introduced:

H. F. No. 1473, A bill for an act relating to natural resources; authorizing certain watershed districts in the seven-county metropolitan area to increase the administrative fund amount; amending Minnesota Statutes 1986, section 112.61, subdivision 3.

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

Clark, Welle and Gruenes introduced:

H. F. No. 1474, A bill for an act relating to vocational training; requiring the commissioner of jobs and training to certify entities that provide supported employment to persons with disabilities; authorizing rulemaking; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 129A.

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

Jefferson, Sviggum, Vellenga, Tompkins and Welle introduced:

H. F. No. 1475, A bill for an act relating to state government; civil service; providing opportunities for persons with disabilities; amending Minnesota Statutes 1986, sections 43A.10, subdivision 8; 43A.13, subdivision 7; 43A.191, by adding a subdivision; 43A.42; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

Nelson, K., introduced:

H. F. No. 1476, A bill for an act relating to education; establishing clinical schools for teacher preparation; establishing professional

development and assessment centers; requiring research on teacher education programs; appropriating money; amending Minnesota Statutes 1986, section 125.185, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 126.

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

Jennings; Munger; Long; Nelson, D., and Rose introduced:

H. F. No. 1477, A bill for an act relating to solid waste landfills; creating the landfill environmental response fund; assessing solid waste disposal fees; establishing procedures to fund the cost of releases of hazardous substances from landfills; appropriating money; amending Minnesota Statutes 1986, section 116.07, subdivision 4h; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

Dorn, Battaglia, Frederick and Morrison introduced:

H. F. No. 1478, A bill for an act relating to the city of Mankato; permitting the establishment of special service districts; providing taxing and other authority.

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

Rukavina and Battaglia introduced:

H. F. No. 1479, A bill for an act relating to education; allowing variances from licensure for practicing school psychologists in certain circumstances; proposing coding for new law in Minnesota Statutes 1986, chapter 125.

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

Marsh, Gruenes, Bauerly, Bertram and Omann introduced:

H. F. No. 1480, A bill for an act relating to retirement; St. Cloud police; pension fund uses; pension amounts; health and medical

insurance; amending Laws 1973, sections 4, as amended; 5, subdivision 1; and 6, subdivision 4.

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

Dille introduced:

H. F. No. 1481, A bill for an act relating to the city of Hutchinson; providing an exception from the Hutchinson police civil service system for the chief of police.

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

Osthoff, Scheid, Kelly, Orenstein and Milbert introduced:

H. F. No. 1482, A bill for an act relating to insurance; liquor liability assigned risk plan; regulating assigned risk plan premiums; amending Minnesota Statutes 1986, section 340A.409, subdivision 3.

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

Poppenhagen introduced:

H. F. No. 1483, A bill for an act relating to state land; authorizing conveyance of certain land to the town of Round Lake.

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

Quist, Waltman, Schafer, Uphus and Johnson, V., introduced:

H. F. No. 1484, A bill for an act relating to agriculture; establishing a task force on improving agricultural commodity utilization; appropriating money.

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

McPherson, Milbert, Heap, Quinn and Hugoson introduced:

H. F. No. 1485, A bill for an act relating to education; requiring secondary public schools to offer courses in family life education;

requiring students to pass a family life education course prior to graduation; requiring all family life education instructors to be licensed by the board of teaching; proposing coding for new law in Minnesota Statutes, chapter 126.

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

Beard, Tjornhom, Begich, Ogren and Solberg introduced:

H. F. No. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; proposing coding for new law in Minnesota Statutes, chapter 222.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Segal, Krueger, Skoglund and Blatz introduced:

H. F. No. 1487, A bill for an act relating to human services; requiring a study on subsidized adoption.

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

Tjornhom, Voss, Ogren, Lieder and Neuenschwander introduced:

H. F. No. 1488, A bill for an act relating to taxation; mandating county treasurers to accept property tax payments of more or less than amount due; amending Minnesota Statutes 1986, sections 277.01; and 279.01, subdivision 1.

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

Quist, Hugoson, Thiede, Gutknecht and Miller introduced:

H. F. No. 1489, A bill for an act proposing an amendment to the Minnesota Constitution, article X, by adding a section; limiting the growth of state tax revenues; providing for implementation of the amendment; proposing coding for new law in Minnesota Statutes, chapter 6.

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

Gutknecht introduced:

H. F. No. 1490, A bill for an act relating to employment; regulating the administration of the unemployment compensation law; providing for the amount of benefits; regulating benefit eligibility; providing for employer contributions; transferring certain hearing functions and personnel to the office of administrative hearings; amending Minnesota Statutes 1986, sections 14.03, subdivision 2; 14.48; 14.51; 14.53; 16A.671, subdivision 1; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 268.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Gutknecht introduced:

H. F. No. 1491, A bill for an act relating to workers' compensation; regulating insurer obligations; regulating the scope of coverage; regulating eligibility for benefits; regulating benefits and benefit adjustments; amending Minnesota Statutes 1986, sections 79.34, subdivision 3; 79.35; 176.021, subdivision 1; 176.041, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 3e, 3h, 3k, 3o, 3t, 4, and 8; 176.131, subdivisions 3 and 6; 176.132, subdivision 1; 176.138; and 176.645, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Dempsey introduced:

H. F. No. 1492, A bill for an act relating to courts; requiring that at least one trial court judge be assigned to each county in a judicial district; amending Minnesota Statutes 1986, sections 2.722, subdivision 4, and by adding a subdivision; 484.69, subdivision 3; 487.01, subdivision 5; and 487.191.

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

Dempsey introduced:

H. F. No. 1493, A bill for an act relating to actions; restoring pre-1986 status to computing awards of future damages; repealing Minnesota Statutes 1986, section 604.07.

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

Ozment and Clausnitzer introduced:

H. F. No. 1494, A bill for an act relating to human services; requiring orientation for clients receiving aid to families with dependent children; providing case management services to certain clients; defining case management services; requiring staff orientation; requiring commissioner to apply for demonstration project and waiver; creating children's health care program; setting standard of need; allowing counties to retain increased child support collections; requiring use of private health care benefits; directing employment services at jobs which provide medical coverage; establishing priorities for child care services; amending Minnesota Statutes 1986, sections 256.74, subdivision 1; 256.863; 256B.37, by adding a subdivision; 268.85, subdivision 2; and 268.91, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Wenzel introduced:

H. F. No. 1495, A bill for an act relating to liquor; authorizing the city of Little Falls to issue a temporary on-sale intoxicating liquor license.

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

Clark, Jefferson, Forsythe, Riveness and Olsen, S., introduced:

H. F. No. 1496, A bill for an act relating to human services; altering allocation of federal fiscal disallowances based on error rates; amending Minnesota Statutes 1986, section 256.01, subdivision 2.

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

Nelson, D., introduced:

H. F. No. 1497, A bill for an act relating to appropriations; providing funds for the Minnesota telecenter project.

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

Clark introduced:

H. F. No. 1498, A bill for an act relating to health; providing for a Medicare enrollee's consumer bill of rights; providing for a reconsideration process if service is denied or limited; allowing for a determination of urgent need; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Wynia; Anderson, R.; Rodosovich; Cooper and Segal introduced:

H. F. No. 1499, A bill for an act relating to health; requiring transfers from the special revenue account to the public health fund; amending Minnesota Statutes 1986, section 214.06, subdivision 1.

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

McEachern; Nelson, K.; Olson, K.; Olsen, S., and Beard introduced:

H. F. No. 1500, A bill for an act relating to education; making modifications to the planning, evaluation and reporting process; amending Minnesota Statutes 1986, sections 126.65; 126.66, subdivisions 1, 6, and by adding subdivisions; 126.67, subdivisions 1, 1a, 2a, 3a, 6, and 9; repealing Minnesota Statutes 1986, section 126.67, subdivision 5b.

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

Sparby introduced:

H. F. No. 1501, A bill for an act relating to game and fish; establishing game refuge advisory committees; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Kostohryz introduced:

H. F. No. 1502, A bill for an act relating to metropolitan government; regulating participation in a transportation program; providing conditions for incurrence of debt for certain purposes; removing



fare restrictions; amending Minnesota Statutes 1986, sections 473.388, subdivision 2; 473.39; and 473.446, subdivision 1; repealing Minnesota Statutes 1986, section 473.436, subdivisions 6 and 7; and Laws 1985, First Special Session chapter 10, section 122.

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

Jensen, Kostohryz and Osthoff introduced:

H. F. No. 1503, A bill for an act relating to veterans; requiring the placement of a plaque on the Capitol grounds recognizing certain prisoners of war and soldiers missing in action.

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

Johnson, R.; Rukavina; Simoneau; Kludt and Knickerbocker introduced:

H. F. No. 1504, A bill for an act relating to economic development; providing for the selection of board members of community development corporations; amending Minnesota Statutes 1986, section 116M.04, subdivision 6.

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

Larsen and Jefferson introduced:

H. F. No. 1505, A bill for an act relating to state government; creating an international music and communications arts center task force; appropriating money.

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

Rodosovich introduced:

H. F. No. 1506, A bill for an act relating to education; modifying, clarifying, and extending programs and certain staff requirements at the state academies for the blind and deaf; creating a revolving fund for receipts and expenditures for services, seminars, and conferences there; appropriating money; amending Minnesota Stat-

utes 1986, sections 128A.01; 128A.02, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 128A.

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

Munger, Battaglia, Boo and Rose introduced:

H. F. No. 1507, A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing certain permits or approving certain plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1986, sections 105.37, by adding subdivisions; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

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

Wagenius introduced:

H. F. No. 1508, A bill for an act relating to peace officers; eliminating the bureau of criminal apprehension's duty to supply a training schedule to the peace officer standards and training board; authorizing the bureau of criminal apprehension to charge a fee for certain training courses; amending Minnesota Statutes 1986, section 626.852; repealing Minnesota Statutes 1986, section 626.849.

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

McLaughlin and Orenstein introduced:

H. F. No. 1509, A bill for an act relating to employment and training; establishing a committee; authorizing pilot projects in service delivery; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 267.

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

Wagenius introduced:

H. F. No. 1510, A bill for an act relating to utilities; requiring recorded telephone solicitation devices to disconnect from the tele-

phone line when the caller hangs up; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Bishop and Rest introduced:

H. F. No. 1511, A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; amending Minnesota Statutes 1986, sections 169.121, subdivision 4; 179A.20, subdivision 4; 197.46; 268.04, subdivisions 26 and 29; 268.06, subdivision 5; 340A.501; and 352B.15; repealing Minnesota Statutes 1986, sections 466.03, subdivision 2; 487.39; and 595.04.

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

Greenfield introduced:

H. F. No. 1512, A bill for an act relating to employment; establishing demonstration projects to provide expanded employment opportunities for severely disabled persons.

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

Trimble, by request, introduced:

H. F. No. 1513, A bill for an act relating to tax-forfeited land; authorizing private sale of tax-forfeited land in Chisago county.

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

Scheid and Osthoff introduced:

H. F. No. 1514, A bill for an act relating to elections; changing requirements for persons engaged in lobbying activities; providing for a lobbyist code of ethics task force; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivision 11; 10A.03, subdivisions 2, 3, and by adding a subdivision; 10A.05; and 10A.06; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

Scheid and Osthoff introduced:

H. F. No. 1515, A bill for an act relating to public offices; fixing resignation effective dates; prohibiting contingent resignations; permitting the submission and withdrawal of prospective resignations in certain circumstances; providing for appeals in statewide election contests; amending Minnesota Statutes 1986, sections 2.722, subdivision 4; 209.09; 351.01; and 480A.06, subdivision 1.

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

Kahn, Rice, Seaberg, Knuth and Long introduced:

H. F. No. 1516, A bill for an act relating to historic sites; establishing a St. Anthony Falls heritage interpretive zone and heritage board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

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

Minne, Skoglund, Scheid, Clark and Milbert introduced:

H. F. No. 1517, A bill for an act relating to insurance; accident and health; requiring group coverage for the treatment of eating disorders; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Skoglund, Simoneau and Anderson, G., introduced:

H. F. No. 1518, A bill for an act relating to state government; providing for extended leaves of absence from state employment; amending Minnesota Statutes 1986, section 43A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

Wenzel and Schoenfeld introduced:

H. F. No. 1519, A bill for an act relating to agriculture; clarifying legal rights; prohibiting certain waivers; amending Minnesota Stat-

utes 1986, section 550.37, by adding a subdivision; repealing Minnesota Statutes 1986, section 550.37, subdivision 19.

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

Wenzel introduced:

H. F. No. 1520, A bill for an act relating to local government; authorizing the organization of a Crow Wing-Cass county airport authority; providing for the appointment of directors; providing for the financing and operations of the authority.

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

Battaglia introduced:

H. F. No. 1521, A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

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

Battaglia introduced:

H. F. No. 1522, A bill for an act relating to local government; giving the Lake county housing and redevelopment authority port authority powers.

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

McLaughlin, Norton, Himle and Jacobs introduced:

H. F. No. 1523, A bill for an act relating to metropolitan sports facilities; allowing a waiver of the admissions tax in certain circumstances; amending Minnesota Statutes 1986, section 473.595, subdivision 1, and by adding a subdivision.

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

Wynia introduced:

H. F. No. 1524, A bill for an act relating to human services; setting forth appeal procedure for recipients of case management services; amending Minnesota Statutes 1986, section 256.045, subdivisions 1, 3, 4, 5, 6, 7, and 10, and by adding a subdivision; repealing Minnesota Statutes 1986, section 256.045, subdivision 2.

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

Jennings, Riveness, Stanius, Rodosovich and Greenfield introduced:

H. F. No. 1525, A bill for an act relating to corrections; raising fees for reinstatement of drivers licenses; changing allocation of fees; amending Minnesota Statutes 1986, section 171.29, subdivision 2.

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

#### HOUSE ADVISORIES

The following House Advisories were introduced:

Gutknecht, Heap, Sviggum, Marsh and Wenzel introduced:

H. A. No. 17, A proposal to study wage replacement and litigation rate under the workers' compensation system.

The advisory was referred to the Committee on Labor-Management Relations.

Clark, Jefferson, Greenfield, Vellenga and Battaglia introduced:

H. A. No. 18, A proposal to study cultural and recreational opportunities for low-income families.

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

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1, A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. 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:

H. F. No. 737, A resolution memorializing the President and Congress to prevent from taking effect the proposed Internal Revenue Service regulations that limit the lobbying activities by non-profit organizations.

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. 27.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 27, A bill for an act relating to appropriations; providing for a payment for certain improvements in the city of St. Cloud.

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

## CONSENT CALENDAR

H. F. No. 238, A bill for an act relating to retirement; removing age limits on commencement of membership in firefighters relief associations; amending Minnesota Statutes 1986, section 424.04.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

|              |             |                |             |             |
|--------------|-------------|----------------|-------------|-------------|
| Anderson, G. | Greenfield  | Marsh          | Ozment      | Solberg     |
| Anderson, R. | Gruenes     | McDonald       | Pappas      | Sparby      |
| Battaglia    | Gutknecht   | McEachern      | Pauly       | Stanius     |
| Bauerly      | Hartle      | McKasy         | Pelowski    | Steensma    |
| Beard        | Haukoos     | McLaughlin     | Peterson    | Sviggun     |
| Begich       | Heap        | McPherson      | Poppenhagen | Swenson     |
| Bennett      | Himle       | Milbert        | Price       | Thiede      |
| Bertram      | Hugoson     | Miller         | Quinn       | Tjornhom    |
| Bishop       | Jaros       | Minne          | Quist       | Tompkins    |
| Blatz        | Jefferson   | Morrison       | Reding      | Trimble     |
| Boo          | Jensen      | Munger         | Rest        | Tunheim     |
| Brown        | Johnson, A. | Murphy         | Richter     | Uphus       |
| Carlson, D.  | Johnson, R. | Nelson, C.     | Riveness    | Valento     |
| Carlson, L.  | Johnson, V. | Nelson, D.     | Rodosovich  | Vanasek     |
| Carruthers   | Kalis       | Nelson, K.     | Rose        | Vellenga    |
| Clark        | Kelly       | Neuenschwander | Rukavina    | Voss        |
| Clausnitzer  | Kelso       | O'Connor       | Sarna       | Wagenius    |
| Cooper       | Kinkel      | Ogren          | Schafer     | Waltman     |
| Dauner       | Kludd       | Olsen, S.      | Scheid      | Welle       |
| DeBlieck     | Knuth       | Olson, E.      | Schoenfeld  | Wenzel      |
| Dempsey      | Kostohryz   | Olson, K.      | Schreiber   | Winter      |
| Dille        | Krueger     | Omann          | Seaberg     | Wynia       |
| Dorn         | Larsen      | Onnen          | Segal       | Spk. Norton |
| Forsythe     | Lasley      | Orenstein      | Shaver      |             |
| Frederick    | Lieder      | Osthoff        | Simoneau    |             |
| Frerichs     | Long        | Otis           | Skoglund    |             |

The bill was passed and its title agreed to.

H. F. No. 923, A bill for an act relating to human services; regulating budgets and procedures of human services boards; amending Minnesota Statutes 1986, sections 402.02, subdivision 2; 402.05, subdivision 1a; and 402.062, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 402.095.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:



|              |             |                |             |             |
|--------------|-------------|----------------|-------------|-------------|
| Anderson, G. | Gutknecht   | Marsh          | Pappas      | Solberg     |
| Anderson, R. | Hartle      | McDonald       | Pauly       | Sparby      |
| Battaglia    | Haukoos     | McEachern      | Pelowski    | Stanius     |
| Bauerly      | Heap        | McKasy         | Peterson    | Steensma    |
| Bennett      | Himle       | McLaughlin     | Poppenhagen | Sviggun     |
| Bertram      | Hugoson     | McPherson      | Price       | Swenson     |
| Blatz        | Jacobs      | Milbert        | Quinn       | Thiede      |
| Boo          | Jaros       | Miller         | Quist       | Tjornhom    |
| Brown        | Jefferson   | Minne          | Redalen     | Tompkins    |
| Burger       | Jensen      | Morrison       | Reding      | Trimble     |
| Carlson, D.  | Johnson, A. | Munger         | Rest        | Tunheim     |
| Carlson, L.  | Johnson, R. | Murphy         | Richter     | Uphus       |
| Carruthers   | Johnson, V. | Nelson, C.     | Riveness    | Valento     |
| Clark        | Kahn        | Nelson, D.     | Rodosovich  | Vanasek     |
| Clausnitzer  | Kalis       | Nelson, K.     | Rose        | Vellenga    |
| Cooper       | Kelly       | Neuenschwander | Rukavina    | Voss        |
| Dauner       | Kelso       | O'Connor       | Sarna       | Wagenius    |
| DeBlieck     | Kinkel      | Ogren          | Schafer     | Waltman     |
| Dempsey      | Kludt       | Olsen, S.      | Scheid      | Welle       |
| Dille        | Knuth       | Olson, E.      | Schoenfeld  | Wenzel      |
| Dorn         | Kostohryz   | Olson, K.      | Schreiber   | Winter      |
| Forsythe     | Krueger     | Omann          | Seaberg     | Wynia       |
| Frederick    | Larsen      | Onnen          | Segal       | Spk. Norton |
| Frerichs     | Lasley      | Orenstein      | Shaver      |             |
| Greenfield   | Lieder      | Otis           | Simoneau    |             |
| Gruenes      | Long        | Ozment         | Skoglund    |             |

The bill was passed and its title agreed to.

H. F. No. 947 was reported to the House.

Begich moved that H. F. No. 947 be returned to General Orders. The motion prevailed.

H. F. No. 1119, A bill for an act relating to state lands; permitting the sale of certain land in St. Louis county.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

|              |             |             |           |            |
|--------------|-------------|-------------|-----------|------------|
| Anderson, G. | Carruthers  | Gutknecht   | Kahn      | McDonald   |
| Anderson, R. | Clark       | Hartle      | Kalis     | McEachern  |
| Battaglia    | Clausnitzer | Haukoos     | Kelly     | McKasy     |
| Bauerly      | Cooper      | Heap        | Kelso     | McLaughlin |
| Beard        | Dauner      | Himle       | Kinkel    | McPherson  |
| Begich       | DeBlieck    | Hugoson     | Kludt     | Milbert    |
| Bennett      | Dempsey     | Jacobs      | Knuth     | Miller     |
| Bertram      | Dille       | Jaros       | Kostohryz | Minne      |
| Bishop       | Dorn        | Jefferson   | Krueger   | Morrison   |
| Blatz        | Forsythe    | Jennings    | Larsen    | Munger     |
| Brown        | Frederick   | Jensen      | Lasley    | Murphy     |
| Burger       | Frerichs    | Johnson, A. | Lieder    | Nelson, C. |
| Carlson, D.  | Greenfield  | Johnson, R. | Long      | Nelson, D. |
| Carlson, L.  | Gruenes     | Johnson, V. | Marsh     | Nelson, K. |

|                |             |            |          |             |
|----------------|-------------|------------|----------|-------------|
| Neuenschwander | Pelowski    | Rose       | Solberg  | Valento     |
| O'Connor       | Peterson    | Rukavina   | Sparby   | Vanasek     |
| Ogren          | Poppenhagen | Sarna      | Stanius  | Vellenga    |
| Olsen, S.      | Price       | Schafer    | Steensma | Voss        |
| Olson, K.      | Quinn       | Scheid     | Sviggum  | Wagenius    |
| Omann          | Quist       | Schoenfeld | Swenson  | Waltman     |
| Onnen          | Redalen     | Schreiber  | Thiede   | Welle       |
| Orenstein      | Reding      | Seaberg    | Tjornhom | Wenzel      |
| Otis           | Rest        | Segal      | Tompkins | Winter      |
| Ozment         | Richter     | Shaver     | Trimble  | Wynia       |
| Pappas         | Riveness    | Simoneau   | Tunheim  | Spk. Norton |
| Pauly          | Rodosovich  | Skoglund   | Uphus    |             |

The bill was passed and its title agreed to.

H. F. No. 338, A bill for an act relating to retirement; authorizing a certain Stearns county historical society employee to retain membership in the public employees retirement association.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

|              |             |                |             |             |
|--------------|-------------|----------------|-------------|-------------|
| Anderson, G. | Frerichs    | Lasley         | Orenstein   | Segal       |
| Anderson, R. | Greenfield  | Lieder         | Osthoff     | Shaver      |
| Battaglia    | Gruenes     | Long           | Otis        | Simoneau    |
| Bauerly      | Gutknecht   | Marsh          | Ozment      | Skoglund    |
| Beard        | Hartle      | McDonald       | Pappas      | Solberg     |
| Begich       | Haukoos     | McEachern      | Pauly       | Sparby      |
| Bennett      | Heap        | McKasy         | Pelowski    | Stanius     |
| Bertram      | Himle       | McLaughlin     | Peterson    | Steensma    |
| Bishop       | Hugoson     | McPherson      | Poppenhagen | Sviggum     |
| Blatz        | Jacobs      | Milbert        | Price       | Swenson     |
| Boo          | Jefferson   | Miller         | Quinn       | Thiede      |
| Brown        | Jennings    | Minne          | Quist       | Tjornhom    |
| Burger       | Jensen      | Morrison       | Redalen     | Tompkins    |
| Carlson, D.  | Johnson, A. | Munger         | Reding      | Trimble     |
| Carlson, L.  | Johnson, R. | Murphy         | Rest        | Tunheim     |
| Carruthers   | Johnson, V. | Nelson, C.     | Richter     | Uphus       |
| Clark        | Kahn        | Nelson, D.     | Riveness    | Valento     |
| Clausnitzer  | Kalis       | Nelson, K.     | Rodosovich  | Vanasek     |
| Cooper       | Kelly       | Neuenschwander | Rose        | Vellenga    |
| Dauner       | Kelso       | O'Connor       | Rukavina    | Voss        |
| DeBlieck     | Kinkel      | Ogren          | Sarna       | Wagenius    |
| Dempsey      | Kludt       | Olsen, S.      | Schafer     | Waltman     |
| Dille        | Knuth       | Olson, E.      | Scheid      | Welle       |
| Dorn         | Kostohryz   | Olson, K.      | Schoenfeld  | Wenzel      |
| Forsythe     | Krueger     | Omann          | Schreiber   | Winter      |
| Frederick    | Larsen      | Onnen          | Seaberg     | Wynia       |
|              |             |                |             | Spk. Norton |

The bill was passed and its title agreed to.

H. F. No. 1024 was reported to the House.

Carlson, D., moved that H. F. No. 1024 be continued on the Consent Calendar until Thursday, April 9, 1987. The motion prevailed.

## CALENDAR

S. F. No. 397, A bill for an act relating to elections; setting times for changing election precincts and redistricting certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

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. | Greenfield  | Lasley         | Otis        | Shaver      |
| Anderson, R. | Gruenes     | Lieder         | Ozment      | Simoneau    |
| Bauerly      | Gutknecht   | Marsh          | Pappas      | Skoglund    |
| Beard        | Hartle      | McDonald       | Pauly       | Solberg     |
| Bennett      | Haukoos     | McKasy         | Pelowski    | Stanius     |
| Bertram      | Heap        | McLaughlin     | Peterson    | Steensma    |
| Bishop       | Himle       | McPherson      | Poppenhagen | Sviggum     |
| Blatz        | Hugoson     | Milbert        | Price       | Swenson     |
| Boo          | Jacobs      | Miller         | Quinn       | Thiede      |
| Brown        | Jaros       | Morrison       | Quist       | Tjornhom    |
| Burger       | Jefferson   | Munger         | Redalen     | Tompkins    |
| Carlson, D.  | Jennings    | Murphy         | Reding      | Trimble     |
| Carlson, L.  | Jensen      | Nelson, C.     | Rest        | Tunheim     |
| Carruthers   | Johnson, A. | Nelson, D.     | Richter     | Uphus       |
| Clark        | Johnson, R. | Nelson, K.     | Riveness    | Valento     |
| Clausnitzer  | Johnson, V. | Neuenschwander | Rodosovich  | Vanasek     |
| Cooper       | Kalis       | Ogren          | Rose        | Vellenga    |
| Dauner       | Kelly       | Olsen, S.      | Rukavina    | Wagenius    |
| DeBlick      | Kinkel      | Olson, E.      | Schafer     | Waltman     |
| Dempsey      | Khudt       | Olson, K.      | Scheid      | Welle       |
| Dille        | Knuth       | Omann          | Schoenfeld  | Wenzel      |
| Dorn         | Kostohryz   | Onnen          | Schreiber   | Winter      |
| Frederick    | Krueger     | Orenstein      | Seaberg     | Wynia       |
| Frerichs     | Larsen      | Osthoff        | Segal       | Spk. Norton |

The bill was passed and its title agreed to.

Carlson, D.; Munger and Rose were excused at 4:35 p.m. Morrison was excused at 5:00 p.m.

## GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Norton in the Chair for consideration

of bills pending on General Orders of the day. Anderson, G., presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

#### REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. Nos. 26, 235, 602 and 816 were recommended to pass.

H. F. No. 234 was recommended for progress.

H. F. Nos. 454 and 269 were recommended for progress retaining their places on General Orders.

H. F. No. 189 was recommended for progress retaining its place on General Orders until Monday, April 13, 1987.

H. F. No. 137, the second engrossment, which it recommended to pass with the following amendment offered by Kelly:

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 1986, section 631.07, is amended to read:

#### 631.07 [ORDER OF FINAL ARGUMENT]

When the giving of evidence is concluded in a criminal trial, unless the case is submitted on ~~either or~~ both sides without argument, the plaintiff shall begin and the defendant conclude the argument to the jury. prosecution may make a closing argument to the jury. The defense may then make its closing argument to the jury. If the defense makes a closing argument and the defendant is represented by counsel, the prosecution shall be permitted to reply in rebuttal for up to five minutes, limited to argument which is responsive to the defendant's closing argument and which raises no new issues of law or fact."

Renumber the remaining sections

Page 2, line 14, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "permitting the prosecution to offer a rebuttal closing argument;"

Page 1, line 7, after the semicolon, insert "amending Minnesota Statutes 1986, section 631.07;"

Offered by Quist to the Kelly amendment:

Page 1, line 12, delete everything after "defense"

Page 1, line 13, delete everything before the comma and insert "raises new issues of law or fact"

Page 1, line 16, delete "raises no new" and insert "is limited to the new"

H. F. No. 656, the first engrossment, which it recommended to pass with the following amendment offered by Welle:

Page 1, line 16, reinstate the stricken language and delete the new language

H. F. No. 946 which it recommended to pass with the following amendment offered by Begich:

Page 1, line 14, after "on" insert "or near"

On the motion of Vanasek the report of the Committee of the Whole was adopted.

#### ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Kelly moved to amend H. F. No. 137, the second engrossment, as follows:

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 1986, section 631.07, is amended to read:

#### 631.07 [ORDER OF FINAL ARGUMENT.]

When the giving of evidence is concluded in a criminal trial, unless the case is submitted on ~~either or~~ both sides without argument, the plaintiff shall begin and the defendant conclude the argument to the jury prosecution may make a closing argument to

the jury. The defense may then make its closing argument to the jury. If the defense makes a closing argument and the defendant is represented by counsel, the prosecution shall be permitted to reply in rebuttal for up to five minutes, limited to argument which is responsive to the defendant's closing argument and which raises no new issues of law or fact."

Renumber the remaining sections

Page 2, line 14, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "permitting the prosecution to offer a rebuttal closing argument;"

Page 1, line 7, after the semicolon, insert "amending Minnesota Statutes 1986, section 631.07;"

McDonald moved to amend the Kelly amendment to H. F. No. 137, the second engrossment, as follows:

Page 1, line 16, after "argument" delete "and" and after "which" delete "raises no" and insert "raised"

The question was taken on the McDonald amendment to the Kelly amendment and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

|              |            |            |           |            |
|--------------|------------|------------|-----------|------------|
| Anderson, G. | Greenfield | Lasley     | Omam      | Schoenfeld |
| Beard        | Gruenes    | Long       | Onnen     | Seaberg    |
| Bishop       | Gutknecht  | McDonald   | Orenstein | Solberg    |
| Brown        | Hartle     | McEachern  | Osthoff   | Sviggum    |
| Burger       | Heap       | McLaughlin | Ozment    | Thiede     |
| Carlson, D.  | Himle      | McPherson  | Quinn     | Tompkins   |
| Clark        | Hugoson    | Milbert    | Quist     | Tunheim    |
| Clausnitzer  | Jacobs     | Miller     | Richter   | Uphus      |
| Cooper       | Jaros      | Munger     | Rose      | Vellenga   |
| Dempsey      | Jefferson  | Murphy     | Rukavina  | Voss       |
| Dorn         | Kahn       | O'Connor   | Sarna     | Waltman    |
| Frerichs     | Kelso      | Ogren      | Scheid    | Wynia      |

Those who voted in the negative were:

|              |            |             |            |                |
|--------------|------------|-------------|------------|----------------|
| Anderson, R. | Carruthers | Johnson, A. | Krueger    | Nelson, K.     |
| Battaglia    | Dauner     | Johnson, R. | Larsen     | Neuenschwander |
| Bauerly      | DeBlieck   | Johnson, V. | Lieder     | Olsen, S.      |
| Begich       | Dille      | Kalis       | Marsh      | Olson, E.      |
| Bennett      | Forsythe   | Kelly       | McKasy     | Olson, K.      |
| Bertram      | Frederick  | Kinkel      | Minne      | Otis           |
| Blatz        | Haukoos    | Kludt       | Morrison   | Pappas         |
| Boo          | Jennings   | Knuth       | Nelson, C. | Pauly          |
| Carlson, L.  | Jensen     | Kostohryz   | Nelson, D. | Pelowski       |

|             |            |          |          |             |
|-------------|------------|----------|----------|-------------|
| Peterson    | Rest       | Shaver   | Steensma | Vanasek     |
| Poppenhagen | Riveness   | Simoneau | Swenson  | Welle       |
| Price       | Rodosovich | Skoglund | Tjornhom | Wenzel      |
| Redalen     | Schafer    | Sparby   | Trimble  | Winter      |
| Reding      | Segal      | Stanis   | Valento  | Spk. Norton |

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

Quist moved to amend the Kelly amendment to H. F. No. 137, the second engrossment, as follows:

Page 1, line 12, delete everything after "defense"

Page 1, line 13, delete everything before the comma and insert "raises new issues of law or fact"

Page 1, line 16, delete "raises no new" and insert "is limited to the new"

The question was taken on the Quist amendment to the Kelly amendment and the roll was called. There were 68 yeas and 60 nays as follows:

Those who voted in the affirmative were:

|              |             |             |            |             |
|--------------|-------------|-------------|------------|-------------|
| Anderson, G. | Gutknecht   | McPherson   | Quinn      | Thiede      |
| Beard        | Heap        | Milbert     | Quist      | Tjornhom    |
| Bennett      | Himle       | Miller      | Riveness   | Tompkins    |
| Bishop       | Jacobs      | Munger      | Rose       | Tunheim     |
| Brown        | Jaros       | Murphy      | Rukavina   | Uphus       |
| Burger       | Jefferson   | O'Connor    | Sarna      | Vanasek     |
| Carlson, D.  | Johnson, A. | Ogren       | Schafer    | Vellenga    |
| Clark        | Kahn        | Olsen, S.   | Scheid     | Voss        |
| Clausnitzer  | Kelso       | Onnen       | Schoenfeld | Waltman     |
| Cooper       | Lasley      | Orenstein   | Seaberg    | Wenzel      |
| Dempsey      | Long        | Osthoff     | Shaver     | Wynia       |
| Dorn         | McDonald    | Ozment      | Solberg    | Spk. Norton |
| Frerichs     | McEachern   | Peterson    | Stanis     |             |
| Greenfield   | McLaughlin  | Poppenhagen | Sviggum    |             |

Those who voted in the negative were:

|              |             |                |            |           |
|--------------|-------------|----------------|------------|-----------|
| Anderson, R. | Forsythe    | Kostohryz      | Olson, E.  | Schreiber |
| Battaglia    | Gruenes     | Krueger        | Olson, K.  | Segal     |
| Bauerly      | Hartle      | Larsen         | Omann      | Simoneau  |
| Begich       | Haukoos     | Lieder         | Otis       | Skoglund  |
| Bertram      | Hugoson     | Marsh          | Pappas     | Sparby    |
| Blatz        | Jennings    | McKasy         | Pauly      | Steensma  |
| Boo          | Johnson, R. | Minne          | Pelowski   | Swenson   |
| Carlson, L.  | Kalis       | Morrison       | Price      | Trimble   |
| Carruthers   | Kelly       | Nelson, C.     | Redalen    | Valento   |
| Dauner       | Kinkel      | Nelson, D.     | Reding     | Wagenius  |
| DeBlick      | Kludt       | Nelson, K.     | Rest       | Welle     |
| Dille        | Knuth       | Neuenschwander | Rodosovich | Winter    |

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Kelly amendment, as amended, and the roll was called. There were 90 yeas and 39 nays as follows:

Those who voted in the affirmative were:

|              |             |                |             |          |
|--------------|-------------|----------------|-------------|----------|
| Anderson, R. | Frederick   | Krueger        | Onnen       | Shaver   |
| Battaglia    | Gruenes     | Larsen         | Otis        | Simoneau |
| Bauerly      | Gutknecht   | Lasley         | Ozment      | Skoglund |
| Begich       | Hartle      | Lieder         | Pauly       | Sparby   |
| Bennett      | Haukoos     | Marsh          | Pelowski    | Stanius  |
| Bertram      | Heap        | McDonald       | Poppenhagen | Steensma |
| Blatz        | Himle       | McKasy         | Price       | Sviggum  |
| Boo          | Hugoson     | McPherson      | Quist       | Tjornhom |
| Burger       | Jaros       | Miller         | Redalen     | Tompkins |
| Carlson, D.  | Jennings    | Minne          | Reding      | Trimble  |
| Carlson, L.  | Johnson, A. | Morrison       | Rest        | Tunheim  |
| Carruthers   | Johnson, R. | Nelson, C.     | Richter     | Uphus    |
| Clausnitzer  | Johnson, V. | Nelson, D.     | Riveness    | Valento  |
| Dauner       | Kalis       | Nelson, K.     | Rodosovich  | Wagenius |
| DeBleck      | Kelly       | Neuenschwander | Rose        | Waltman  |
| Dille        | Kinkel      | Olson, E.      | Schafer     | Welle    |
| Dorn         | Kludt       | Olson, K.      | Schreiber   | Wenzel   |
| Forsythe     | Knuth       | Omann          | Segal       | Winter   |

Those who voted in the negative were:

|              |           |            |            |             |
|--------------|-----------|------------|------------|-------------|
| Anderson, G. | Jacobs    | McLaughlin | Osthoff    | Solberg     |
| Beard        | Jefferson | Milbert    | Peterson   | Thiede      |
| Bishop       | Jensen    | Munger     | Quinn      | Vanasek     |
| Brown        | Kahn      | Murphy     | Rukavina   | Vellenga    |
| Cooper       | Kelso     | O'Connor   | Sarna      | Voss        |
| Dempsey      | Kostohryz | Ogren      | Scheid     | Wynia       |
| Frerichs     | Long      | Olsen, S.  | Schoenfeld | Spk. Norton |
| Greenfield   | McEachern | Orenstein  | Seaberg    |             |

The motion prevailed and the amendment, as amended, was adopted.

Bishop moved to amend H. F. No. 137, the second engrossment, as amended, as follows:

Page 1, line 16 of the Kelly amendment, after the period, insert:

"If the prosecution makes a rebuttal argument, the defense shall be permitted to reply in surrebuttal for up to three minutes, limited to argument which is responsive to the prosecution's rebuttal argument and which raises no new issues of law or fact."

Amend the title as follows:

Page 1, line 5, before the semicolon insert "and the defense to reply in surrebuttal"

The question was taken on the Bishop amendment and the roll was called. There were 50 yeas and 79 nays as follows:



## Those who voted in the affirmative were:

|              |             |            |            |             |
|--------------|-------------|------------|------------|-------------|
| Anderson, G. | Gutknecht   | McDonald   | Osthoff    | Stanis      |
| Beard        | Jacobs      | McEachern  | Quinn      | Sviggum     |
| Bishop       | Jaros       | McLaughlin | Quist      | Thiede      |
| Brown        | Jefferson   | Milbert    | Rose       | Tunheim     |
| Burger       | Jensen      | Munger     | Rukavina   | Uphus       |
| Carlson, D.  | Johnson, A. | Murphy     | Sarna      | Vanasek     |
| Clark        | Kahn        | O'Connor   | Scheid     | Vellenga    |
| Cooper       | Kelso       | Ogren      | Schoenfeld | Winter      |
| Dempsey      | Krueger     | Olsen, S.  | Seaberg    | Wynia       |
| Greenfield   | Long        | Orenstein  | Solberg    | Spk. Norton |

## Those who voted in the negative were:

|              |             |                |             |          |
|--------------|-------------|----------------|-------------|----------|
| Anderson, R. | Frederick   | Larsen         | Onnen       | Segal    |
| Battaglia    | Gruenes     | Lasley         | Otis        | Shaver   |
| Bauerly      | Hartle      | Lieder         | Ozment      | Simoneau |
| Begich       | Haukoos     | Marsh          | Pappas      | Skoglund |
| Bennett      | Heap        | McKasy         | Pauly       | Sparby   |
| Bertram      | Himle       | McPherson      | Pelowski    | Steensma |
| Blatz        | Hugoson     | Miller         | Peterson    | Swenson  |
| Boo          | Jennings    | Minne          | Poppenhagen | Tjornhom |
| Carlson, L.  | Johnson, R. | Morrison       | Price       | Tompkins |
| Carruthers   | Johnson, V. | Nelson, C.     | Redalen     | Trimble  |
| Clausnitzer  | Kalis       | Nelson, D.     | Reding      | Valento  |
| Dauner       | Kelly       | Nelson, K.     | Rest        | Wagenius |
| DeBlicke     | Kinkel      | Neuenschwander | Richter     | Waltman  |
| Dille        | Kludt       | Olson, E.      | Rodosovich  | Welle    |
| Dorn         | Knuth       | Olson, K.      | Schafer     | Wenzel   |
| Forsythe     | Kostohryz   | Omann          | Schreiber   |          |

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

The question was taken on the motion to recommend passage of H. F. No. 946, as amended, and the roll was called. There were 86 yeas and 38 nays as follows:

## Those who voted in the affirmative were:

|              |             |                |            |             |
|--------------|-------------|----------------|------------|-------------|
| Anderson, G. | Hartle      | Lasley         | Omann      | Simoneau    |
| Battaglia    | Haukoos     | Lieder         | Orenstein  | Skoglund    |
| Bauerly      | Hugoson     | Long           | Otis       | Solberg     |
| Beard        | Jacobs      | Marsh          | Ozment     | Sparby      |
| Begich       | Jaros       | McEachern      | Pappas     | Stanis      |
| Bennett      | Jennings    | McLaughlin     | Pelowski   | Steensma    |
| Bertram      | Jensen      | Milbert        | Peterson   | Trimble     |
| Bishop       | Johnson, A. | Minne          | Price      | Tunheim     |
| Blatz        | Johnson, R. | Murphy         | Quinn      | Uphus       |
| Brown        | Kahn        | Nelson, C.     | Redalen    | Vanasek     |
| Carlson, L.  | Kalis       | Nelson, D.     | Reding     | Vellenga    |
| Carruthers   | Kelly       | Nelson, K.     | Rodosovich | Voss        |
| Clark        | Kinkel      | Neuenschwander | Rukavina   | Wagenius    |
| Cooper       | Knuth       | O'Connor       | Sarna      | Welle       |
| DeBlicke     | Kostohryz   | Ogren          | Scheid     | Wenzel      |
| Greenfield   | Krueger     | Olson, E.      | Schoenfeld | Winter      |
| Gruenes      | Larsen      | Olson, K.      | Segal      | Wynia       |
|              |             |                |            | Spk. Norton |

Those who voted in the negative were:

|             |             |           |             |          |
|-------------|-------------|-----------|-------------|----------|
| Boo         | Frerichs    | McDonald  | Pauly       | Sviggun  |
| Burger      | Gutknecht   | McKasy    | Poppenhagen | Swenson  |
| Clausnitzer | Heap        | McPherson | Quist       | Thiede   |
| Dauner      | Himle       | Miller    | Richter     | Tjornhom |
| Dille       | Jefferson   | Morrison  | Schafer     | Tompkins |
| Dorn        | Johnson, V. | Olsen, S. | Schreiber   | Waltman  |
| Forsythe    | Kelso       | Onnen     | Seaberg     |          |
| Frederick   | Kludt       | Osthoff   | Shaver      |          |

The motion prevailed.

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

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

House Concurrent Resolution No. 6, A House concurrent resolution adopting permanent Joint Rules of the Senate and House of Representatives.

PATRICK E. FLAHAVEN, Secretary of the Senate

Himle moved that the House refuse to concur in the Senate amendments to House Concurrent Resolution No. 6, that the Speaker appoint a Conference Committee of 5 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.

A roll call was requested and properly seconded.

The question was taken on the Himle motion and the roll was called. There were 53 yeas and 72 nays as follows:

Those who voted in the affirmative were:

|              |        |             |           |           |
|--------------|--------|-------------|-----------|-----------|
| Anderson, R. | Blatz  | Clausnitzer | Dille     | Frerichs  |
| Bennett      | Boo    | Cooper      | Forsythe  | Gruenes   |
| Bishop       | Burger | Dempsey     | Frederick | Gutknecht |

|             |           |             |           |          |
|-------------|-----------|-------------|-----------|----------|
| Hartle      | McDonald  | Orenstein   | Schafer   | Thiede   |
| Haukoos     | McKasy    | Osthoff     | Scheid    | Tjornhom |
| Heap        | McPherson | Ozment      | Schreiber | Tompkins |
| Himle       | Milbert   | Pauly       | Seaberg   | Uphus    |
| Hugoson     | Miller    | Poppenhagen | Shaver    | Valento  |
| Johnson, A. | Olsen, S. | Quist       | Stanius   | Waltman  |
| Johnson, V. | Omann     | Redalen     | Sviggunn  |          |
| Marsh       | Onnen     | Richter     | Swenson   |          |

Those who voted in the negative were:

|              |             |                |            |             |
|--------------|-------------|----------------|------------|-------------|
| Anderson, G. | Jefferson   | Long           | Peterson   | Steensma    |
| Battaglia    | Jensen      | McEachern      | Price      | Trimble     |
| Bauerly      | Johnson, R. | McLaughlin     | Quinn      | Tunheim     |
| Beard        | Kahn        | Minne          | Reding     | Vanasek     |
| Begich       | Kalis       | Murphy         | Rest       | Vellenga    |
| Bertram      | Kelly       | Nelson, C.     | Riveness   | Voss        |
| Brown        | Kelso       | Nelson, D.     | Rodosovich | Wagenius    |
| Carlson, L.  | Kinkel      | Nelson, K.     | Rukavina   | Welle       |
| Carruthers   | Kludt       | Neuenschwander | Sarna      | Wenzel      |
| Dauner       | Knuth       | O'Connor       | Schoenfeld | Winter      |
| DeBlieck     | Kostohryz   | Ogren          | Segal      | Wynia       |
| Dorn         | Krueger     | Olson, E.      | Simoneau   | Spk. Norton |
| Greenfield   | Larsen      | Olson, K.      | Skoglund   |             |
| Jacobs       | Lasley      | Pappas         | Solberg    |             |
| Jaros        | Lieder      | Pelowski       | Sparby     |             |

The motion did not prevail.

#### CONCURRENCE AND ADOPTION

Vanasek moved that the House concur in the Senate amendments to House Concurrent Resolution No. 6. The motion prevailed.

Vanasek moved that House Concurrent Resolution No. 6 relating to Permanent Joint Rules of the Senate and House of Representatives be adopted as amended by the Senate.

The question was taken on the Vanasek motion and the roll was called. There were 97 yeas and 27 nays as follows:

Those who voted in the affirmative were:

|              |             |                |           |            |
|--------------|-------------|----------------|-----------|------------|
| Anderson, G. | DeBlieck    | Knuth          | O'Connor  | Riveness   |
| Anderson, R. | Dorn        | Kostohryz      | Ogren     | Rodosovich |
| Battaglia    | Greenfield  | Krueger        | Olson, S. | Rukavina   |
| Bauerly      | Gruenes     | Larsen         | Olson, E. | Sarna      |
| Beard        | Hartle      | Lasley         | Olson, K. | Schoenfeld |
| Begich       | Jacobs      | Lieder         | Omann     | Seaberg    |
| Bennett      | Jaros       | Long           | Onnen     | Segal      |
| Bertram      | Jefferson   | McEachern      | Otis      | Shaver     |
| Bishop       | Jennings    | McKasy         | Ozment    | Simoneau   |
| Blatz        | Jensen      | McLaughlin     | Pappas    | Skoglund   |
| Brown        | Johnson, R. | McPherson      | Pelowski  | Solberg    |
| Burger       | Johnson, V. | Minne          | Peterson  | Sparby     |
| Carlson, L.  | Kahn        | Murphy         | Price     | Stanius    |
| Carruthers   | Kalis       | Nelson, C.     | Quinn     | Steensma   |
| Clark        | Kelly       | Nelson, D.     | Redalen   | Sviggunn   |
| Cooper       | Kinkel      | Nelson, K.     | Reding    | Trimble    |
| Dauner       | Kludt       | Neuenschwander | Rest      | Tunheim    |

Uphus  
Valento  
Vanasek

Vellenga  
Voss  
Wagenius

Waltman  
Welle  
Wenzel

Winter  
Wynia  
Spk. Norton

Those who voted in the negative were:

Clausnitzer  
Dempsey  
Dille  
Forsythe  
Frederick  
Frerichs

Gutknecht  
Haukoos  
Heap  
Himle  
Johnson, A.  
Kelso

Marsh  
McDonald  
Milbert  
Miller  
Orenstein  
Osthoff

Poppenhagen  
Quist  
Richter  
Scheid  
Schreiber  
Swenson

Thiede  
Tjornhom  
Tompkins

The motion prevailed and House Concurrent Resolution No. 6 and the Permanent Joint Rules of the Senate and House of Representatives were adopted as follows:

## JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES

### TABLE OF CONTENTS

#### ARTICLE I: JOINT CONVENTIONS

1.01 How Governed

1.02 President's Duties

1.03 President's Right to Vote

1.04 Stating Questions

1.05 Order of Debate

1.06 Calling Member to Order

1.07 Call of the Convention

1.08 Elections

1.09 No Smoking

1.10 Parliamentary Procedure

#### ARTICLE II: BILLS

2.01 Form

**2.02 Appropriating Money****2.03 Deadlines****2.04 Amending Bills Originating in other House****2.05 Receding From Position****2.06 Conference Committees****2.07 Enrollment and Signature****ARTICLE III: GENERAL PROVISIONS****3.01 Suspension of Joint Rules****3.02 Odd Year Session Adjournment****3.03 Interim Committee and Commission Reports****ARTICLE I: JOINT CONVENTIONS****HOW GOVERNED**

Rule 1.01. The Speaker of the House shall preside at all Conventions of the two houses of the Legislature and shall call the members to order. The Chief Clerk of the House shall be the Secretary and the Sergeant at Arms of the House shall be the Sergeant at Arms of the Convention.

**PRESIDENT'S DUTIES**

Rule 1.02. The President of the Convention shall preserve order and decorum. He may speak on all points of order in preference to other members and shall decide questions of order, subject to an appeal to the Convention by any member. He shall rise to put a question but may state it while seated.

**PRESIDENT'S RIGHT TO VOTE**

Rule 1.03. The President shall have the right to vote in all cases except appeals from his decisions. He shall vote last on all questions.

## STATING QUESTIONS

Rule 1.04. Questions shall be put to the Convention in the following form: "As many as are of the opinion that (the question) shall pass, say 'Aye.'" After an affirmative vote is expressed the nays shall be called as follows: "As many as are of the contrary opinion, say 'No.'" If the President is in doubt or a division is called, those in the affirmative shall rise first and those in the negative afterward.

## ORDER OF DEBATE

Rule 1.05. When any member wishes to speak to the Convention on any matter, he shall rise and respectfully address the President, and not speak further until recognized. He shall confine himself to the question under debate and avoid personal remarks. When two or more members rise at the same time, the President shall designate the member to speak first. No member shall speak more than twice on the same question without permission of the Convention.

## CALLING MEMBER TO ORDER

Rule 1.06. If any member of the Joint Convention is called to order for offensive words in debate, the member calling him to order shall report the words to which exception is taken and the Secretary shall record them. No member may be called to order for any language used in debate if exception is not taken before any other member has spoken or any other business has taken place. A member called to order shall immediately sit down unless another member moves to permit him to explain. In any case, the Joint Convention, if appealed to, shall decide without debate. Only if the decision is in favor of the member called to order shall he be at liberty to proceed.

## CALL OF THE CONVENTION

Rule 1.07. Five members may demand a call of the Convention at any time except after voting has commenced. When such a call is demanded, the doors shall be closed, the roll shall be called, the absent members shall be sent for, and no member may be permitted to leave the Chamber, unless excused by the President, until the call is lifted. Proceedings under the roll call may be suspended by a majority vote of all the members of the Convention. A call of the Convention may be lifted by a majority vote of all the members of the Convention.

## ELECTIONS

Rule 1.08. In all elections by the Joint Convention, members shall vote viva voce and the roll of Senate members shall be called first.

Whenever there is an election of any officer in Joint Convention, the result shall be certified by the President of the Senate and the Speaker of the House and announced by them to their respective houses. The result shall be entered on the Journal of each house and communicated to the Governor by the Secretary of the Convention.

#### NO SMOKING

Rule 1.09. No person is permitted to smoke in the Chamber or in the gallery during a Joint Convention.

#### PARLIAMENTARY PROCEDURE

Rule 1.10. The rules of the House shall be the Rules of the Joint Convention of both houses in all cases in which the foregoing rules are not applicable.

### ARTICLE II: BILLS

#### FORM

Rule 2.01. The title of each bill shall clearly state its subject and briefly state its purpose. When a bill amends or repeals an existing act, the title shall refer to the chapter, section or subdivision.

Reference shall be made to Minnesota Statutes for the provisions appearing therein unless reference to previous session laws is required for some special reason.

Bills shall refer to Minnesota Statutes as follows:

"Minnesota Statutes ....., section ....."

Bills shall refer to the session laws as follows:

"Laws ....., chapter ....., section ....."

A bill for the amendment of a statute shall contain the full text of the section or subdivision to be amended as it appears in the latest edition of Minnesota Statutes unless it has been amended, in which event it shall contain the full text as amended.

The words and characters constituting the amending matter shall be inserted in the proper place in the text and underscored. The words and characters to be eliminated by the amendment shall be stricken by drawing a line through them. The text of a new section or subdivision shall also be underscored when a bill amends an

existing chapter or section by adding a new section or subdivision. In the omnibus appropriation bills required by Joint Rule 2.02, sections making an appropriation or transfer and not amending a statute or session law need not have new material underscored. Before a committee favorably reports upon a bill, the chairman of the committee shall see that the bill conforms to this rule. When a bill is printed in the Journal, the new matter shall be in italics or underscored and the matter to be eliminated shall be capitalized and in parentheses or stricken by drawing a line through it. A bill drafted by the Revisor of Statutes for the purposes of correcting errors in Minnesota Statutes need not comply with the provisions of this paragraph if the bill is labeled "REVISOR'S BILL" immediately below the title, and if there is attached thereto a memorandum of information explaining the reasons for the bill.

If the bill is for an original law and not for an amendment of an existing law, the sections and subdivisions shall be arranged, subdivided, and numbered in like manner as Minnesota Statutes. If such a bill assigns to the sections thereof headnotes or identification by the decimal system of numbering used in Minnesota Statutes, such headnotes and decimal identification may be submitted by standing committee chairmen to the Revisor of Statutes for examination. Any such headnotes shall be capital letters enclosed in brackets, and shall be subject to the provisions of Minnesota Statutes, section 648.36.

All numbers in titles shall be expressed in figures. All numbers of section or chapter of law shall be in figures. In the body of a bill numbers in excess of ten shall be in figures, except for a special reason they may be written, but when written they shall not be followed by numbers or parentheses.

#### APPROPRIATING MONEY

Rule 2.02. The same bill shall not appropriate public money or property to more than one local or private purpose.

No clause appropriating money for a local or private purpose shall be contained in a bill appropriating money for the State government or public institutions. All resolutions authorizing the issuing of abstracts by the Secretary of the Senate or the Chief Clerk of the House for the payment of money shall be upon the call of "yeas" and "nays."

In odd-numbered years, at least twenty calendar days prior to the last day the Legislature can meet in regular session [Tuesday, April 28, 1987], the Committee on Finance of the Senate and the Committee on Appropriations of the House shall report to their respective houses, unless directed by concurrent resolution to report



different appropriation bills, eight separate appropriation bills as follows:

(a) A bill appropriating money for the general administrative and judicial expenses of the State government for the succeeding two fiscal years including salaries, office expenses and supplies and other necessary expenses connected therewith;

(b) A bill covering all appropriations relating to public welfare, health and corrections for the support and maintenance of all State penal and charitable institutions, and other institutions of the State except educational for the two succeeding fiscal years;

(c) A bill appropriating money for the support and maintenance of all State educational institutions for the two succeeding fiscal years;

(d) A bill covering all appropriations providing for the payment of claims against the State of Minnesota which may have been allowed by the Finance Committee of the Senate or the Appropriations Committee of the House;

(e) A bill covering all appropriations made for semi-state activities;

(f) A bill covering all appropriations for construction and major rehabilitation of public buildings to be financed by issuance of bonds;

(g) A bill covering all appropriations for maintenance, repair, and minor rehabilitation and construction of public buildings; and

(h) A bill covering appropriations for the department of transportation.

No other appropriations shall be contained in any of said bills but all other appropriations shall be contained in separate bills.

#### DEADLINES

Rule 2.03. (a) In odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after April 10, 1987, and committee reports on bills originating in the other house favorably acted upon by a committee after April 28, 1987, shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee after the earlier date and by the later date set by this paragraph acts on a bill that is a companion to a bill that has met the earlier deadline in the other

house. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

Conference committees on the major appropriation bills specified in Joint Rule 2.02 shall have their reports on the members' desks by the last Thursday on which the Legislature can meet in regular session [May 14, 1987]. After the last Friday on which the Legislature can meet in regular session [May 15, 1987], neither house shall act on bills other than those contained in:

(1) Reports of conference committees;

(2) Messages from the other house;

(3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or

(4) Messages from the Governor.

(b) In even-numbered years the Legislature shall establish by concurrent resolution deadlines based on the date intended to be the date of adjournment sine die.

#### AMENDING BILLS ORIGINATING IN OTHER HOUSE

Rule 2.04. Either house shall have the power to amend any bill, memorial, or resolution passed by the other house.

#### RECEDING FROM POSITION

Rule 2.05. Prior to a Conference Committee on any matter, either house may recede from its position on any difference existing between the two houses. In order to recede, and if the matter is not in the possession of a house, that house shall request return of the matter from the other house. To recede, a majority of a house shall govern, except in cases otherwise provided in the Constitution. If the question is put and lost, it shall not be put again on the same day. A reconsideration of the question shall in all respects be regulated by the rules of that house.

#### CONFERENCE COMMITTEES

Rule 2.06. In all cases of disagreement between the Senate and House on amendments adopted by either house to a bill, memorial or resolution passed by the other house, a conference committee consisting of not less than three members nor more than five

members from each house may be requested by either house. The other house shall appoint a similar committee.

The manner of procedure shall be as follows: The house of origin passes a bill and transmits it to the other body. If the other body adopts an amendment to the bill and passes it as amended, it shall return the bill with a record of its actions to the house of origin. If the house of origin refuses to concur in the amendment, it shall ask for a conference committee, appoint such a committee on its part, and transmit the bill with a record of its action to the other house. If the other house adheres to its amendment, it shall appoint a like committee and return the bill to the house of origin.

At an agreed upon hour the conference committee shall meet. The members from each house shall state to the members from the other house, orally or in writing, the reason for their respective positions. The members shall confer thereon and shall report to their respective houses the agreement they have reached, or, if none, the fact of a disagreement.

If an agreement is reported, the house of origin shall act first upon the report. A conference committee report must be limited to provisions that are germane to the bill and amendment that were referred to the conference committee. A provision is not germane if it relates to a substantially different subject or is intended to accomplish a substantially different purpose from that of the bill and amendment that were referred to the conference committee. If the report is adopted and repassed as amended by the conference committee by the house of origin, the report, the bill and a record of its action shall be transmitted to the other house.

All conference committees shall be open to the public. Meetings of conference committees shall be announced as far in advance as practical.

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [May 14, 1987], and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Rule 2.03, paragraph (b), to meet in regular session in even-numbered years, a written copy of a report of a conference committee shall be placed on the desk of each member of a house twelve hours before action on the report by that house. If the report has been reprinted in the Journal of either house for a preceding day and is available to the members, the Journal copy shall serve as the written report. The member presenting the conference committee report to the body shall disclose, either in writing or orally, the substantial changes from the bill or the amendment as they were last before the body.

#### ENROLLMENT AND SIGNATURE

Rule 2.07. After a bill or memorial has been passed by both houses, it shall be carefully and properly enrolled by the Revisor of

Statutes under the direction of the Secretary of the Senate for a matter originating in the Senate or the Chief Clerk of the House for a matter originating in the House. The Revisor of Statutes shall obtain the signatures and certificates of the proper officers to the enrolled copy of the bill or memorial and present it to the Governor for his approval.

A bill or memorial may be prepared for presentation to the Governor on good quality paper approximately 8 1/2" x 14" in size and may be produced by means of a copying machine. An enrolled bill shall be labeled "An Act" and it shall be identical to the bill passed by the Legislature. An enrolled bill which is amendatory of any existing law or constitutional provision shall indicate deletions and additions in the manner provided in Rule 2.01 for printed bills.

### ARTICLE III: GENERAL PROVISIONS

#### SUSPENSION OF JOINT RULES

Rule 3.01. Either house may suspend the Joint Rules of the Senate and House by a vote of two-thirds of its members.

#### ODD YEAR SESSION ADJOURNMENT

Rule 3.02. Adjournment of the regular session in any odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that upon adjournment in any odd-numbered year to a date certain in the following year:

(a) Any bill being considered by a Conference Committee shall be returned to the house of origin, laid on the table, and the Conference Committee shall be discharged;

(b) Any bill referred to the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House pursuant to Joint Rule 2.03 shall be returned to the standing committee to which it was last previously referred; and

(c) Any bill returned by the Governor to the house of origin with his objections following such adjournment shall be laid on the table.

#### INTERIM COMMITTEE AND COMMISSION REPORTS

Rule 3.03. Except as otherwise provided by law, the report of any interim committee or commission to the Legislature shall be submitted on paper 8 1/2" x 11" in size, spiral bound, stapled, or punched

on the left edge to fit a standard size three ring binder intended for that size paper. A brief summary of the recommendations of the commission or committee shall appear first and be clearly separated from its findings, discussions, and exhibits. If the report contains legislative recommendations, a copy of any proposed legislation, particularly if extensive in character, shall if possible be attached as an exhibit at the end of the report.

### MOTIONS AND RESOLUTIONS

McEachern moved that the name of Wenzel be added as an author on H. F. No. 1195. The motion prevailed.

Nelson, K., moved that the name of Trimble be added as an author on H. F. No. 1448. The motion prevailed.

Kalis moved that his name be stricken as an author on H. F. No. 1449. The motion prevailed.

Reding moved that the names of Trimble, Larsen, Morrison and Price be added as authors on H. F. No. 1453. The motion prevailed.

Riveness moved that H. F. No. 1226 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Clark moved that H. F. No. 849 be recalled from the Committee on Appropriations and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Schoenfeld moved that H. F. No. 1519 be recalled from the Committee on Financial Institutions and Insurance and be re-referred to the Committee on Agriculture. The motion prevailed.

House Resolution No. 6 was reported to the House.

#### HOUSE RESOLUTION NO. 6

A House resolution extending congratulations to the citizens of Bemidji on their 50th Anniversary celebration of the arrival of Paul Bunyan and his Blue Ox, Babe, to the city's waterfront.

*Whereas*, Paul Bunyan, mythical giant of the lumber camps, used to pick his teeth with a pine log and fell whole forests with one stroke of his mighty ax; and

*Whereas*, Paul Bunyan lived near Bemidji in the Winter of the Blue Snow where he found Babe, an animal so big and hungry that it ate 50 bales of hay between meals; and

*Whereas*, in connection with Bemidji's 1937 Winter Carnival, statues of Paul Bunyan and Babe were constructed by two brothers, Cyril and Leonard Dickinson; and

*Whereas*, the statue of Paul Bunyan astounded the crowds because of its size of 18 feet and because it was equipped with a public address system that announced the Carnival events; and

*Whereas*, Bemidji is celebrating 1987 as the Year of the Legend with many special events planned for the next six months; *Now, Therefore,*

*Be It Resolved* by the House of Representatives of the State of Minnesota that it congratulates the citizens of Bemidji on their 50th Anniversary celebration of the origination of Paul Bunyan and Babe.

*Be It Further Resolved* that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to Bemidji's Chamber of Commerce.

Johnson, R., moved that House Resolution No. 6 be now adopted. The motion prevailed and House Resolution No. 6 was adopted.

Uphus introduced:

House Resolution No. 38, A House resolution designating Glenwood as the lutefisk capitol of Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

#### ADJOURNMENT

Vanasek moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, April 8, 1987. The motion prevailed.

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, April 8, 1987.

EDWARD A. BURDICK, Chief Clerk, House of Representatives