

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1987

THIRTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 13, 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 Deacon John Spears, Office of Indian Ministry, Minneapolis, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. DeBlieck 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. 1207, 1390, 1416, 170, 596, 1009, 1083, 1223, 1252, 1361, 1362, 895, 949, 1266, 1355, 457, 1138, 1342 and 234 and S. F. No. 80 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Kalis from the Committee on Transportation 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 recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 62, A bill for an act relating to libraries; permitting the joint financing of their construction among government units; allowing cities and counties to levy above limits for library construction; amending Minnesota Statutes 1986, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 134.

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

The report was adopted.

Beigich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 109, A bill for an act relating to workers' compensation; providing for an efficient hearing process; amending Minnesota Statutes 1986, sections 176.102, subdivisions 6 and 6a; 176.103, subdivisions 2 and 3; 176.155, subdivision 1; 176.242, by adding a subdivision; 176.306, by adding subdivisions; and 176.341.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 142, A bill for an act relating to drivers' licenses; permitting limited license for homemaker; amending Minnesota Statutes 1986, section 171.30, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 19, delete "health, or well-being" and insert "medical, or nutritional needs"

Page 2, line 13, after "child" insert "or other dependents"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 157, A resolution memorializing the United States Congress to propose an amendment to the Constitution to abolish the electoral college and replace it with direct popular election of the President.

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

The report was adopted.

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

H. F. No. 228, A bill for an act relating to firearms safety; increasing the age under which a firearms safety course and certificate are required; amending Minnesota Statutes 1986, section 97B.021, subdivision 1.

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

The report was adopted.

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

H. F. No. 283, A bill for an act relating to elections; requiring confidentiality of certain matters before the ethical practices board; raising certain campaign contribution disclosure limits; changing the method of calculating certain campaign expenditure limits; amending Minnesota Statutes 1986, sections 10A.02, subdivision 11; 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; 10A.25, subdivisions 2 and 7; and 10A.255.

Reported the same back with the following amendments:

Page 2, line 15, after the semicolon insert "and"

Page 2, lines 16 to 35, strike the old language and delete the new language

Page 2, line 36, strike "individual." and insert:

"(b)"

Page 6, line 27, after the period strike "The limits shall be"

Page 6, strike line 28

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. 363, A bill for an act relating to employment; providing for retraining of dislocated workers; requiring the commissioner of jobs and training to coordinate services to dislocated workers; requiring notification of employment termination; providing for the monitoring of dislocated workers and plant closings; providing a state match for federal dislocated worker funding; appropriating money; amending Minnesota Statutes 1986, sections 267.02, subdivision 3; 268.0111, subdivision 4; 268.0122, subdivision 3; and 268.89, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 4, line 35, before the period insert "over a six-month period"

Page 5, line 6, after the period insert "Data received by the commissioner from an employer pursuant to this section which would identify any individual is private data as defined in section 13.02."

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

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 371, A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 23, reinstate the stricken language and after the first comma insert "and either (1)" and before the period insert "or (2) becoming effective after January 1, 1984, following a public hearing and comment" and after the period insert "Comments received by an inquiring authority within 30 days after the public hearing must be reviewed and a written response provided to the individual or organization who initiated the comment. The response and comments may be addressed in another public hearing by the inquiring authority before approval."

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

The report was adopted.

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

H. F. No. 376, A bill for an act relating to elections; ensuring the availability of absentee ballots for statewide elections; amending Minnesota Statutes 1986, sections 40.05, subdivision 3; 203B.05, subdivision 2; 204B.09, subdivision 2; 204B.35, subdivision 4; 205.065, subdivisions 2 and 3; and 205.13, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 40.05, subdivision 3, is amended to read:

Subd. 3. After December 31, 1972, and for the elections required by subdivision 2, all elections except that provided for the organization of the district, in subdivision 1, shall be held at the time and place of holding the state general election, as specified in section 204D.03, subdivision 2. No primary shall be held. The names of candidates for election as supervisors of the soil and water conservation district shall be placed on the "canary ballot," as described in section 204D.11, subdivision 3. Nominating petitions conforming to the rules stated in subdivision 1 shall be filed with the secretary of the soil and water conservation district at least 60 days before the time of holding the state general election. At least 45 days before the state general election The district secretary shall immediately submit the names of the candidates and the terms for which nominated to the appropriate county auditor. The ballots for use at the election shall be prepared by the county auditor. All laws relating to elections for county office shall govern insofar as applicable. The county auditor shall certify the result to the state soil and water conservation board, and if the soil and water conservation district embraces land in more than one county the county auditor shall forthwith certify to the state soil and water conservation board the vote, as shown by the report of the county canvassing board, for all candidates voted for in more than one county. In the latter case the state soil and water conservation board shall certify the results of the election and publish the result.

Sec. 2. Minnesota Statutes 1986, section 123.32, subdivision 4, is amended to read:

Subd. 4. At the annual election board members shall be elected to fill vacancies on the board caused by expiration of term on July 1 next following the election. Any person eligible to hold office in the district desiring to be a candidate for a district office at the election shall file with the clerk of the district a written application to be placed on the ballot for the office, or any five voters of the district may file such written application for or on behalf of any person eligible to hold office in the district that they desire shall be such candidate. The application shall be filed not more than 43 nor less than 28 days before the election.

If the annual election is held at the same time as a statewide election or an election for a county or municipality located partially or wholly within the school district, the application must be filed not more than ten nor less than eight weeks before the annual election.

Sec. 3. Minnesota Statutes 1986, section 203B.05, subdivision 2, is amended to read:

Subd. 2. [CITY AND TOWN ELECTIONS; CERTAIN SCHOOL ELECTIONS.] For city elections not held on the same day as a statewide election and for town elections conducted under the Australian ballot system, applications for absentee ballots shall be filed with the city or town clerk and the duties prescribed by this chapter for the county auditor shall be performed by the city or town clerk unless the county auditor agrees to perform those duties on behalf of the city or town clerk. The costs incurred to provide absentee ballots and perform the duties prescribed by this subdivision shall be paid by the city or town holding the election.

Notwithstanding any other law, this chapter applies to school district elections held on the same day as a statewide election or an election for a county or municipality wholly or partially within the school district.

Sec. 4. Minnesota Statutes 1986, section 204B.35, subdivision 4, is amended to read:

Subd. 4. [ABSENTEE BALLOTS; PREPARATION; DELIVERY.] Ballots necessary to fill applications of absentee voters shall be prepared and delivered at least 30 days before the election to the officials who administer the provisions of chapter 203B.

This section applies to school district elections held on the same day as a statewide election or an election for a county or municipality located partially or wholly within the school district.

Sec. 5. Minnesota Statutes 1986, section 205.02, subdivision 2, is amended to read:

Subd. 2. [CITY ELECTIONS.] In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that this section and sections 205.065, subdivisions 2 to 7; 205.07 to ~~205.13~~ 205.12 and 205.175 and 205.185 do not apply to a city whose charter provides the manner of holding its primary, general or special elections.

Sec. 6. Minnesota Statutes 1986, section 205.065, subdivision 2, is amended to read:

Subd. 2. [RESOLUTION OR ORDINANCE.] The governing body of a city of the second, third, or fourth class or a town containing a statutory city may, by ordinance or resolution adopted at least six weeks three months before the next municipal general election, elect to choose nominees for municipal offices by a primary as provided in subdivisions 2 to 7. The resolution or ordinance, when adopted, is effective for all ensuing municipal elections until it is revoked.

Subdivisions 2 to 7 do not apply to a city the charter of which specifically prohibits or provides for a municipal primary.

Sec. 7. Minnesota Statutes 1986, section 205.065, subdivision 3, is amended to read:

Subd. 3. [DATE.] The municipal primary shall be held ~~two weeks before the municipal general election or at another a time designated by the governing body in the ordinance or resolution adopting the primary system, but no later than six weeks before the general election.~~ The clerk shall give notice of the primary in the manner provided in section 205.16.

Sec. 8. Minnesota Statutes 1986, section 205.13, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] Not more than

(1) eight nor less than six weeks in the case of a town, or

(2) not more than ten nor less than eight weeks, in the case of a city,

before the municipal primary, or before the municipal general election if there is no municipal primary, an individual who is eligible and desires to become a candidate for an office to be voted for at the election shall file an affidavit of candidacy with the municipal clerk. The affidavit shall be in substantially the same form as that in section 204B.06, subdivision 1. The municipal clerk shall also accept an application signed by not less than five voters and filed on behalf of an eligible voter in the municipality whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation. The filing dates contained in this subdivision do not apply to any home rule charter city whose charter provides for earlier filing dates."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "123.32, subdivision 4,"

Page 1, line 5, delete "204B.09, subdivision 2,"

Page 1, line 6, after the first semicolon insert "205.02, subdivision 2,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 462, A resolution memorializing the United States Congress to maintain the Veteran's Administration system of health care facilities.

Reported the same back with the following amendments:

Page 1, line 19, delete "100,000"

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

The report was adopted.

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

H. F. No. 464, A bill for an act relating to insurance; accident and health; increasing the maximum lifetime benefit for major medical coverage; amending Minnesota Statutes 1986, sections 62E.04, subdivision 4; and 62E.06, subdivision 1.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 485, A bill for an act relating to agriculture; strengthening the pesticide laws; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 18A.21, subdivisions 1, 4, 5, 7, 8, 10, 12, 16, 19, 20, 21, 22, 23, 27, 29, 30, 31, 32, 33, 34, 35, 36, and by adding subdivisions; 18A.22, subdivisions 1, 2, 5, 7, and 8; 18A.23; 18A.24; 18A.25; 18A.27; 18A.28, subdivisions 1, 2, 3, 4, and by adding a subdivision; 18A.29, subdivisions 1, 3, and by adding subdivisions; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.37; 18A.39; 18A.41; 18A.42; 18A.43; 18A.44; and 18A.45; proposing coding for new law in Minnesota Statutes, chapters 18A and 18B; repealing Minnesota Statutes 1986, sections 18A.26; 18A.28, subdivisions 5 and 6; 18A.29, subdivision 2; and 18A.36.

Reported the same back with the following amendments:

Page 22, line 22, delete "when" and insert "as soon as is reasonably possible after"

Page 38, line 8, delete "value" and insert "cost"

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. 521, A bill for an act relating to lake improvement districts; providing for notice of their annual meetings; amending Minnesota Statutes 1986, section 378.545, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 378.545, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] The annual meeting shall be preceded by two weeks published notice and written notice mailed at least ten days in advance of the meeting to all property owners within the district and to the county board or joint county authority, town boards, statutory or home rule charter cities, the pollution control agency, and commissioner of natural resources and all property owners within the assessment area for any proposed project by the district having a cost to the assessment area in excess of \$5,000.

Sec. 2. [378.57] [ANNUAL REPORT.]

The board of directors shall annually make and file a report of the financial conditions of the district, the status of all projects therein, the business transacted by the district, other matters affecting the interests of the district, and a discussion of the directors intentions for the succeeding years. Copies of the report shall be transmitted to the county board or joint county authority, town boards, commissioner of natural resources, and pollution control agency within four months of the annual meeting."

Amend the title as follows:

Page 1, line 4, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 378"

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. 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 116.46, 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.

Reported the same back with the following amendments:

Page 10, after line 23, insert:

"Sec. 13. Minnesota Statutes 1986, section 116.47, is amended to read:

116.47 [EXEMPTIONS.]

Sections 116.48 and, 116.49, and section 15 do not apply to:

(1) farm or residential tanks of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes; tanks of 1,100 gallons or less capacity used for storing heating oil for consumptive use on the premises where stored;

(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;

(3) surface impoundments, pits, ponds, or lagoons;

(4) storm water or waste water collection systems;

(5) flow-through process tanks;

(6) tanks located in an underground area, including basements, cellars, mineworkings, drifts, shafts, or tunnels, if the storage tank is located upon or above the surface of the floor; or

(7) septic tanks.”

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 13, after “subdivisions;” insert “116.47;”

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 613, A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 41.57, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL PAYMENT; PRINCIPAL REDUCTION.]

(a) The commissioner must annually pay to qualified sellers of property, financed by a family farm security loan, an amount approximately equal to the additional state income tax paid as a result of the inclusion in gross income of the interest and payment adjustment earned on a seller sponsored family farm security loan. No payment may be made under this subdivision to a qualified seller, unless the seller agrees to reduce the outstanding principal amount of the loan by three percent effective prior to or beginning for the year in which application is made.

(b) The payment amount must be determined as follows:

(4) In order to qualify for a payment, the seller must apply to the commissioner by October 1, 1986 following the previous tax year. The application must include a copy of the seller's 1985 previous tax year state income tax return. The commissioner must recompute the

seller's total state income tax liability that would be due if the interest and payment adjustment amounts were not includable in gross income for state income tax purposes. The commissioner may require the seller to compute these amounts as part of the application. For any calendar year 1986 the amount of the payment equals the reduction in state income tax liability that would occur if the interest and payment adjustment were not included in gross income for state tax purposes.

(2) For calendar years beginning with 1987, the additional payment amount must be determined as follows: (A) The calendar year 1986 payment must be divided by the amount of interest and payment adjustment received during calendar year 1986. (B) The resulting quotient must be multiplied by the interest and payment adjustment received for the calendar year. (C) The product determined under clause (B) is the payment for the calendar year.

(e) If for a tax year after 1986 the qualified seller's taxable income has changed substantially, the commissioner may provide by rule that upon reapplication a later tax year will be used to compute the quotient under clause (b)(2)(A).

(d)(1) (c) If the seller elects to receive payments under this subdivision, the buyer's payments of principal and interest under the loan must be recalculated. The revised payment schedule must reflect the three percent reduction in the outstanding principal required by paragraph (a) and must provide for equal payments over the remaining term of the loan. The interest rate on the loan may not be increased.

(2) The state's payment adjustment under subdivision 2 and the amount of the payment under paragraph (b) must be calculated on the basis of the outstanding principal amount of the loan before the reduction required by paragraph (a).

(e) (d) The commissioner may make the payments under this subdivision in the same manner provided for the payment adjustment under subdivision 2.

(f) (e) For purposes of this subdivision, the following terms have the meanings given:

(1) "Gross income" means gross income as defined for purposes of chapter 290.

(2) "Qualified seller" means an individual who sold farm land under a seller sponsored loan after April 1, 1978 and before June 28 December 31, 1985, and who is a resident of Minnesota during the calendar year and is subject to the payment of Minnesota income taxes.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 638, A bill for an act relating to elections; requiring election judges to inform voters of certain laws; providing for selection of a party in certain primary elections; requiring parties to have different colored ballot book pages; amending Minnesota Statutes 1986, sections 204C.13, subdivision 2; 206.80; and 206.84, subdivision 3.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 3

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 7, after the first semicolon insert "and" and delete "; and 206.84, subdivision 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 665, A bill for an act relating to veterans; providing for special motor vehicle license plates for former prisoners of war free of charge; amending Minnesota Statutes 1986, section 168.125.

Reported the same back with the recommendation that 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. 706, A bill for an act relating to juveniles; clarifying certain recent changes to the juvenile court act; clarifying the hearing and records procedures of the juvenile court; providing for the enforcement of juvenile court restitution orders; permitting administrative docketing of certain unpaid county reimbursements; clarifying certain crime victim notification and protection laws; amending Minnesota Statutes 1986, sections 260.155, subdivisions 1 and 1a; 260.156; 260.161; 260.185, by adding a subdivision; 548.091, subdivision 1; 595.02, subdivision 4; 609.3471; 611A.031; and 611A.035; repealing Minnesota Statutes 1986, section 636.08.

Reported the same back with the following amendments:

Page 8, after line 14, insert:

"Sec. 8. Minnesota Statutes 1986, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community. The report shall also include the information relating to crime victims required under section 12, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed. In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 12, subdivision 2.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the

custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section, section 244.10, and the rules of criminal procedure."

Page 9, after line 6, insert:

"Sec. 12. [611A.037] [PRESENTENCE INVESTIGATION; VICTIM IMPACT; NOTICE.]

Subdivision 1. [VICTIM IMPACT STATEMENT.] A presentence investigation report prepared under section 609.115 shall include the following information relating to victims:

(a) a summary of the damages or harm and any other problems generated by the criminal occurrence;

(b) a concise statement of what disposition the victim deems appropriate for the defendant or juvenile court respondent, including reasons given, if any, by the victim in support of the victim's opinion; and

(c) an attachment to the report, consisting of the victim's written objections, if any, to the proposed disposition if the victim provides the officer conducting the presentence investigation with this written material within a reasonable time prior to the disposition.

Subd. 2. [NOTICE TO VICTIM.] The officer conducting a presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the following information: (i) the charge or juvenile court petition to which the defendant has been convicted or pleaded guilty, or the juvenile respondent has admitted in court or has been found to have committed by the juvenile court, and of any plea agreement between the prosecution and the defense counsel; (ii) the victim's right to request restitution pursuant to section 611A.04; (iii) the time and place of the sentencing or juvenile court disposition and the victim's right to be present; and (iv) the victim's right to object in writing to the court, prior to the time of sentencing or juvenile court disposition, to the proposed sentence or juvenile dispositional alternative, or to the terms of the proposed plea agreement. To assist the victim in making a recommendation under clause (iv), the officer shall provide the victim with information about the court's options for sentencing and other dispositions. Failure of the officer to comply with this subdivision does not give any rights or grounds for postconviction or postjuvenile disposition relief to the defendant or juvenile court respondent, nor does it

entitle a defendant or a juvenile court respondent to withdraw a plea of guilty."

Page 9, line 8, delete everything after the first comma and insert "sections 609.115, subdivisions 1b and 1c; and 636.08, are repealed."

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 12, after "4," insert "609.115, subdivision 1;"

Page 1, line 13, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 611A;"

Page 1, line 14, delete "section" and insert "sections 609.115, subdivisions 1b and 1c; and"

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. 741, A bill for an act relating to education; providing for expanded offerings at Metropolitan State University; 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.

McEachern from the Committee on Education to which was referred:

H. F. No. 762, A bill for an act relating to education; requiring school nurses in schools; describing their responsibilities; providing for dispensing medication in schools; authorizing a grant program; appropriating money; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 126 and 129B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1: [126.201] [ADMINISTRATION OF MEDICATION BY SCHOOL PERSONNEL.]

Subdivision 1. [CONDITIONS.] (a) A school nurse or, in the absence of the nurse, the principal or a teacher may administer medication prescribed for a student under the conditions set out in this subdivision.

(b) Administration of medication by school personnel must only be done following the written order of a licensed physician and the written authorization of a parent or guardian.

A written order of a licensed physician includes any valid prescription for medication.

(c) Medication to be administered must be brought to school in a container appropriately labeled by the pharmacy or physician.

Subd. 2. [LIABILITY.] A principal, teacher, or other staff person who substantially complies with the school's established policy for administering medication to a student is immune from civil or criminal liability for any injury arising from the administration of the medication or from the medication itself. Immunity does not apply if the person administering the medication does so in a grossly negligent manner or in a manner that willfully or wantonly disregards the health or safety of the student."

Delete the title and insert:

"A bill for an act relating to education; providing for dispensing medication in schools; proposing coding for new law in Minnesota Statutes, chapter 126."

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. 768, A bill for an act relating to housing; extending housing and redevelopment authority interest reduction program; amending Minnesota Statutes 1986, section 462.445, subdivision 13.

Reported the same back with the following amendments:

Page 1, line 12, delete "1990" and insert "1992"

Page 1, line 14, delete "1990" and insert "1992" in both places

With the recommendation that when so amended 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. 774, A bill for an act relating to workers' compensation; regulating insurance premium computations for certain public employees; amending Minnesota Statutes 1986, section 79.211, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, delete "The rating association" and insert "The commissioner of commerce in setting the assigned risk plan rates"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 776, A bill for an act relating to agriculture; regulating the family farm security program; providing for eligibility; permitting the sale of loans; amending Minnesota Statutes 1986, sections 41.52, by adding a subdivision; 41.55; proposing coding for new law in Minnesota Statutes, chapter 41.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 41.52, is amended by adding a subdivision to read:

Subd. 14. [ACQUIRED PROPERTY.] "Acquired property" means agricultural real property returned to a lender or guarantor through enforcement of a default on a contract for deed or mortgage foreclosure or bankruptcy. For purposes of the program for acquired property sales established under section 5, acquired property means only property acquired before the effective date of this act.

Sec. 2. Minnesota Statutes 1986, section 41.52, is amended by adding a subdivision to read:

Subd. 15. [ACQUIRED PROPERTY LOAN GUARANTEE.] "Acquired property loan guarantee" means an agreement that in the event of default, the state of Minnesota must pay the lender 85 percent of any sums remaining on a mortgage and note or contract for deed approved under the family farm security program after the effective date of this act after approved liquidation of the property. In the event that the state's share of losses resulting from defaults in the program for acquired property sales established under section 5 exceeds the limit on the state's maximum loss set under section 5, subdivision 7, the commissioner must disburse guarantee payments to lenders only to the extent of the state's maximum loss limit. Any additional losses must be borne by the lender without regard to the 85 percent guarantee.

Sec. 3. Minnesota Statutes 1986, section 41.53, subdivision 2, is amended to read:

Subd. 2. The commissioner may adopt emergency or permanent rules necessary for the efficient administration of sections 41.51 to 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; and 41.61 and section 5.

Sec. 4. Minnesota Statutes 1986, section 41.55, is amended to read:

41.55 [ELIGIBILITY.]

A family farm security loan approval may be granted if the following criteria are satisfied:

(a) that the applicant is a resident of the state of Minnesota;

(b) that the applicant has sufficient education, training, or experience in the type of farming for which the loan is desired and continued participation in a farm management program, approved by the commissioner, for at least the first ~~ten~~ five years of the family farm security loan;

(c) that the applicant and the applicant's dependents and spouse have total net worth valued at less than ~~\$75,000~~ \$150,000 and have demonstrated a need for the loan;

(d) that the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;

(e) that the applicant is credit worthy according to standards prescribed by the commissioner.

Sec. 5. [41.63] [ACQUIRED PROPERTY SALES.]

Subdivision 1. [AUTHORIZATION.] The commissioner may provide an acquired property loan guarantee to lenders on the sale of acquired property acquired before the effective date of this act if the buyer satisfies the eligibility criteria in section 41.55, and if the applicant agrees to participate in an approved farm management program for the first five years of the sale contract for deed or mortgage, and if:

(a) this is the buyer's first farm real estate purchase; or

(b) the buyer has been the manager/operator of a commercial size farm operation and currently holds ownership to no more than 160 acres of farm real estate.

Subd. 2. [APPLICATION.] A lender desiring to provide financing for the sale of the family farm security program acquired property, or other acquired property to persons eligible for an acquired property loan guarantee, shall forward an application to the commissioner for approval utilizing forms approved by the commissioner. The commissioner shall prescribe a screening process to determine eligibility and disposition of applications. On approving a guarantee, the commissioner shall notify the lender. The lender and buyer may then complete the sale.

If the application is denied, the commissioner shall provide the lender with a written statement of the reasons for denial. An application which later meets the eligibility criteria may be resubmitted by the lender.

Subd. 3. [APPROVED SALES.] The sales agreement and the note and mortgage or contract for deed executed between lender and buyer shall have the following characteristics:

(a) The acquired property will not be sold for more than 105 percent of current market value. Market value appraisals shall be mutually agreed to by the lender and the commissioner for each property. To the extent not disallowed by statute, a seller must as part of the conveyance, transfer to the buyer all mineral rights it holds to the land being conveyed unless the buyer willingly waives in a separate writing the requirement to convey the mineral rights.

(b) Amortization of the mortgage or contract shall be based on no more than 30 years and no less than 20 years with a balloon payment due at the end of ten years. Early payment at the request of buyer is allowed.

(c) There shall be a minimum down payment of ten percent on those sales with monthly payments, 12.5 percent with semi-annual payments, and 15 percent with annual payments.

(d) Interest rate shall be fixed at below preferred customer rates for the first five years and no higher than preferred customer rates for years six through ten. For 1987, the rates offered must be 6.9 percent for the first five years, and 8.9 percent for the second five years, or the applicable federal land bank variable rate, whichever is lower.

Subd. 4. [LOAN SERVICING.] The lender shall be responsible for all mortgage or contract for deed servicing.

(a) At the end of the tenth year, buyers shall have the right to refinance with their sponsoring lender at the lowest interest rate for which they qualify at the time.

(b) No partial releases, release of easement payments, or other actions affecting the value of the property may be transacted without the commissioner's approval.

(c) At no time shall the lender or buyer take any action that will diminish the first position claim of the guaranteed mortgage or contract.

(d) The guarantee is neither assignable nor assumable.

(e) The lender shall, in consultation with the commissioner, pursue any legal means available to recover as much as reasonably possible in case of a default and be reimbursed for the normal costs of these actions under the guarantee provision.

Subd. 5. [DEFAULT.] Default occurs when:

(a) the buyer does not pay the principal or interest payment on the date due;

(b) the participant breaches a material obligation in the note and mortgage, loan agreement, contract for deed, or any other instrument securing the loan, and the lender determines that this breach constitutes an adverse change in the buyer's ability to repay the guaranteed loan; or

(c) the buyer fails to properly maintain the buildings and other facilities or does not follow proper soil and water conservation practices so that the value of the security is diminished.

Subd. 6. [FILING CLAIM.] When a default occurs and the appropriate actions have been taken to recover title to the property, the lender shall provide the commissioner with an acceptable plan for liquidation and carry out that plan. The lender shall present a ledger accounting of all costs and all receipts for final review by the commissioner. Costs include the principal balance of the loan

remaining at time of default, any unpaid accrued interest calculated at the stated rate of the loan to the date of default, real estate taxes and insurance premiums paid, attorneys' fees, and other costs associated with clearing title. Receipts include the sale proceeds, any rents collected, and other miscellaneous income received during the holding period. In those instances where costs exceed receipts, the commissioner shall make payment to the lender from the special guarantee account established in section 41.61, subdivision 1, for 85 percent of the excess costs. In those instances where receipts exceed costs by more than 115 percent, the lender shall remit to the commissioner one-half of all excess over the 115 percent for deposit in the special guarantee fund.

Subd. 7. [LIMITATIONS.] The sum of all outstanding acquired property loans guaranteed by the commissioner at any time may not exceed \$100,000,000. The state's maximum loss shall not exceed \$12,750,000, over the life of this program, exclusive of legal fees, default costs, administration expense, and other expenses not associated with the principal balance or the interest due. In the event that the state's share of losses resulting from defaults in the program for acquired property sales established under this section exceeds the limit on the state's maximum loss, the commissioner must disburse guarantee payments to lenders only to the extent of the state's maximum loss limit. Any additional losses must be borne by the lender without regard to the 85 percent guarantee. Priority for loan guarantee payments within the state's maximum loss limit must be based on the date the plan for liquidation is provided to the commissioner.

Amend the title as follows:

Page 1, line 5, delete "a"

Page 1, line 6, delete "subdivision;" and insert "subdivisions; 41.53, subdivision 2;"

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

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 789, A bill for an act relating to housing; authorizing the Minnesota housing finance agency to make grants to municipalities

for the provision of housing for very low income persons; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 25. [GRANTS FOR HOUSING FOR VERY LOW INCOME PERSONS LIVING ALONE.] The agency may make grants for residential housing to be used by very low income persons living alone whose annual gross income does not exceed 150 percent of the poverty line as updated by the United States Office of Management and Budget. The grants may be made to cities, joint powers boards established by two or more cities, housing and redevelopment authorities created under sections 462.415 to 462.705, or nonprofit entities as defined by the agency. The occupants of the residential housing must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause. Grants under this subdivision shall not exceed 50 percent of the development costs for the residential housing, and shall not be made for any residential housing that requires the occupants to accept board as well as lodging. In making grants, the agency shall determine the circumstances, terms, and conditions under which all or part of the grant will be repaid and the appropriate security if repayment is required.

Sec. 2. Minnesota Statutes 1986, section 462A.21, is amended by adding a subdivision to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for very low income persons under section 1 from funds specifically appropriated by the legislature for that purpose and may pay the costs and expenses for the development and operation of the program.

Sec. 3. [APPROPRIATION.]

The sum of \$..... is appropriated from the general fund to the housing development fund created in section 462A.20 for the purposes of sections 1 and 2."

Delete the title and insert:

"A bill for an act relating to housing; authorizing the Minnesota housing finance agency to make grants for the provision of housing for very low income persons; appropriating money; amending Min-

nesota Statutes 1986, sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision."

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. 794, A bill for an act relating to waste management; regulating disposal of wastes; providing for a solid waste management policy; providing for recycling policy and marketing; managing household hazardous wastes; regulating the sale and disposal of motor oil and lead acid batteries; providing for waste pesticide collection; appropriating money; amending Minnesota Statutes 1986, sections 115A.03, subdivisions 9 and 21; 115A.06, subdivision 14; 115A.11, subdivision 2; 115A.42; 115A.45; 115A.49; 115A.51; 115A.52; 115A.53; 115A.54, subdivision 2a; 115A.81, subdivision 2; 115A.921; 115A.95; 116.07, subdivision 4b; 116.41, subdivision 2; 116M.07, by adding a subdivision; 176.011, subdivision 9; 239.52; 325E.11; 473.149, subdivisions 2d and 6; 473.803, by adding a subdivision; 473.834, subdivision 2; 473.842, subdivision 2; 473.844, subdivisions 1 and 4; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 115A; 239; 325E; and 473; repealing Minnesota Statutes 1986, sections 115A.13; 115A.43; 115A.44; 473.834, subdivision 3; and 473.844, subdivisions 2 and 5.

Reported the same back with the recommendation that 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. 805, A bill for an act relating to education; adjusting funding for post-secondary enrollment changes of more than three percent one year rather than two years after the change; amending Minnesota Statutes 1986, section 135A.03, subdivisions 2, 3, and by adding a subdivision.

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

The report was adopted.

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

H. F. No. 809, A bill for an act relating to natural resources; changing requirements for arrowheads used for big game hunting; amending Minnesota Statutes 1986, section 97B.211, subdivision 2.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 853, A bill for an act relating to education; clarifying the authority of contracting school districts to select an individual to provide services as a superintendent; amending Minnesota Statutes 1986, section 123.34, subdivision 9.

Reported the same back with the following amendments:

Page 1, line 22, delete "the individual to perform the services" and insert "one of the individuals employed to serve as superintendent in one of the contracting districts"

Page 1, line 25, delete ", or based on a present"

Page 2, line 1, delete everything before the period

Page 2, line 4, delete "at any time during the"

Page 2, line 5, delete "year to facilitate this cooperation"

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. 857, A bill for an act relating to employment; allowing commissioner of jobs and training to contract with service providers to deliver wage subsidies; requiring that 90 percent of wage subsidy money be allocated to priority groups; allowing eligible local service units to retain 75 percent of money repaid by employers receiving wage subsidies; appropriating money; amending Minnesota Statutes 1986, sections 268.673, subdivision 5, and by adding a subdi-

vision; 268.676, subdivision 1; 268.678, subdivision 4; and 268.681, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 268.673, is amended by adding a subdivision to read:

Subd. 4a. [CONTRACTS WITH SERVICE PROVIDERS.] The commissioner shall contract directly with a certified local service provider to deliver wage subsidies if (1) each county served by the provider agrees to the contract and knows the amount of wage subsidy money allocated to the county under section 268.6751, and (2) the provider agrees to meet regularly with each county being served.

Sec. 2. Minnesota Statutes 1986, section 268.673, subdivision 5, is amended to read:

Subd. 5. [REPORT.] Each eligible local service unit entity delivering wage subsidies shall report to the commissioner and the coordinator on a quarterly basis:

(1) the number of persons employed placed in private sector jobs, in temporary public sector jobs, or in other services;

(2) the outcome for each participant placed in a private sector job, in a temporary public sector job, or in another service;

(3) the number and type of employers employing persons under the program;

(4) the amount of money spent in each eligible local service unit for wages for each type of employment and each type of other expense;

(5) the ~~number~~ age, educational experience, family status, gender, priority group status, race, and work experience of persons who have completed participation each person in the program and their current employment, educational, or training status;

(6) the amount of wages received by persons while in the program and 60 days after completing the program;

(7) the types of employment and the wages received by persons eligible to receive public assistance; and

(5) (8) any other information requested by the commissioner or the coordinator. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 3. Minnesota Statutes 1986, section 268.6751, subdivision 1, is amended to read:

Subdivision 1. [WAGE SUBSIDIES.] Wage subsidy money must be allocated to eligible local service units in the following manner:

(a) The commissioner shall allocate ~~70~~ ⁸⁵ percent of the funds available for allocation to eligible local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each eligible local service unit must be based on the number of unemployed persons in the eligible local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the eligible local service unit for the most recent six-month period.

(b) ~~Thirty~~ Fifteen percent of the money available for wage subsidy programs must be allocated at the direction and discretion of the coordinator. The commissioner shall distribute the discretionary portion of wage subsidy appropriations at the request of the coordinator. ~~For the biennium ending June 30, 1987, up to 25 percent of the discretionary portion of the wage subsidy appropriation may be used to support the office of full productivity and opportunity and the development of an intake, referral, and inventory system. Up to ten percent of the discretionary portion of the wage subsidy appropriation allocated by the coordinator may be used to fund the Minnesota entrepreneurial grants program established in section 9.~~ In allocating the ~~remaining~~ discretionary portion of the wage subsidy appropriation, the coordinator shall give priority to eligible local service units that have:

(1) high numbers of farmers who can demonstrate severe household financial need;

(2) demonstrated success in placing public assistance applicants in private sector jobs;

(3) demonstrated need beyond the allocation distributed under paragraph (a);

(4) maximized use of money through coordination with other programs and state, local, and federal agencies, and through the use of matching money from private and nonprofit sources;

(5) demonstrated need to provide special assistance in order to serve unemployed persons who incur unusual costs such as necessary relocation expenses; or

(6) areas with high unemployment rates.

Sec. 4. Minnesota Statutes 1986, section 268.676, is amended to read:

268.676 [ALLOCATION WITHIN ELIGIBLE LOCAL SERVICE UNITS; PRIORITIES AMONG APPLICANTS; EMPLOYERS.]

Subdivision 1. [AMONG JOB APPLICANTS.] ~~Allocation~~ At least 80 percent of funds allocated among eligible job applicants ~~within an eligible local service unit shall give priority statewide must be allocated to:~~

- (1) applicants living in households with no other income source;
- (2) applicants whose incomes and resources are less than the standards for eligibility for general assistance or work readiness;
- (3) applicants who are eligible for aid to families with dependent children; and
- (4) applicants who live in a farm household who demonstrate severe household financial need.

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within an eligible local service unit shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 25 percent of the statewide funds available for wages may be allocated for temporary jobs with eligible government and nonprofit agencies, or for temporary community investment program jobs with eligible government agencies during the biennium.

Sec. 5. Minnesota Statutes 1986, section 268.677, subdivision 1, is amended to read:

Subdivision 1. To the extent allowable under federal and state law, wage subsidy money must be pooled and used in combination with money from other employment and training services or income maintenance and support services. At least 75 percent of the money appropriated for wage subsidies must be used to pay wages for eligible job applicants. For each eligible job applicant employed, the

maximum state contribution from any combination of public assistance grant diversion and employment and training services governed under this chapter, including wage subsidies, is \$4 per hour for wages and \$1 per hour for fringe benefits. In addition, The use of wage subsidies are limited as follows:

(a) For each eligible job applicant placed in private or nonprofit employment, the state may subsidize wages for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged to use money from other sources to provide increased wages to applicants they employ.

(b) For each eligible job applicant participating in a job training program and placed in private sector employment, the state may subsidize wages for a maximum of 1,040 hours over a period of 52 weeks.

(c) For each eligible job applicant placed in a community investment program job, the state may provide wage subsidies for a maximum of 780 hours over a maximum of 26 weeks. For an individual placed in a community investment program job, the county share of the wage subsidy shall be 25 percent. Counties may use money from sources other than public assistance and wage subsidies, including private grants, contributions from nonprofit corporations and other units of government, and other state money, to increase the wages or hours of persons employed in community investment programs.

(d) Notwithstanding the limitations of paragraphs (a) and (b), money may be used to provide a state contribution for wages and fringe benefits in private sector jobs for eligible applicants who had previously held temporary jobs with eligible government and nonprofit agencies or who had previously held community investment program jobs for which a state contribution had been made, and who are among the priority groups established in section 268.676, subdivision 1. The use of money under this paragraph shall be for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant.

Sec. 6. Minnesota Statutes 1986, section 268.678, subdivision 4, is amended to read:

Subd. 4. [CONTRACTS.] Each eligible local service unit that has not agreed to a contract under section 1, may enter into contracts with certified service providers to deliver wage subsidies.

Sec. 7. Minnesota Statutes 1986, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] In allocating funds among eligible businesses, the eligible local service unit or its contractor shall give priority to businesses which best satisfy the following criteria:

- (a) have a high potential for growth and long-term job creation;
- (b) are labor intensive;
- (c) meet the definition of a small business as defined in section 645.445;
- (d) make high use of local and Minnesota resources;
- (e) are under ownership of women and minorities;
- (f) make high use of new technology;
- (g) produce energy conserving materials or services or are involved in development of renewable sources of energy; and
- (h) have their primary place of business in Minnesota;
- (i) export products outside of the state; and
- (j) are manufacturers or other nonretail business.

Sec. 8. Minnesota Statutes 1986, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the eligible local service unit or its contractor to employ and train another person referred by the eligible local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the eligible local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The eligible local service unit shall forward 25 percent of the payments received under this

subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may use up to 20 percent of its share of the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit these payments forwarded to the commissioner under this subdivision in the Minnesota wage subsidy account created by subdivision 4.

Sec. 9. [268.97] [MINNESOTA ENTREPRENEURIAL GRANTS PROGRAM.]

Subdivision 1. [FINDINGS.] The legislature recognizes that private entrepreneurship is the basis of a strong economy. Over the past several years, Minnesota's economy has experienced job losses through a severe farm crisis, a painful decline in the mining industry, loss of jobs to foreign competition, and a continuing problem with unemployment in our core cities. To provide a more diversified economic base in the state, stimulate economic development, and create jobs, it is in the interest of the state to encourage self-employment and other individual entrepreneurial initiatives.

Subd. 2. [ESTABLISHMENT OF GRANT PROGRAM.] The Minnesota entrepreneurial grant program is established in the department of jobs and training to assist individuals with the development of plans and financing to set up a business. The grants may only be used by individuals to help them secure loans from banks or other lending institutions to assist in the financing of entrepreneurial activities.

Subd. 3. [GRANTEE ELIGIBILITY.] An individual who: (1) has been a resident of this state for at least one month, (2) is unemployed, and (3) is not receiving and is not qualified to receive unemployment or workers' compensation, is eligible for a grant. A farmer or any member of a farm family household who can demonstrate severe household financial need may be eligible for a grant.

Subd. 4. [INTEREST RATES.] For the purpose of this program, a bank or other lending institution shall not charge interest rates on loans made to eligible grantees in excess of the rates normally charged by the bank or lending institution on similar loans.

Subd. 5. [GRANT APPLICATIONS.] The grant application must clearly describe the idea or plan for which the applicant is seeking a loan from a bank or lending institution. The application must contain a certified statement from a bank or lending institution stating that a grant from the state, not to exceed \$5,000, will result

in the applicant securing a loan from a bank or lending institution in an amount up to \$25,000.

Subd. 6. [GRANT AWARD.] The commissioner of jobs and training must give consideration to the following criteria for the award of grants:

(1) the extent to which the application satisfies the purpose of the grant program;

(2) evidence of an innovative approach that will likely succeed;

(3) evidence that the grant would result in a loan from a bank or lending institution;

(4) the grant award would likely result, directly or indirectly, in the creation of new jobs;

(5) priority given to applications from individuals living in counties with unemployment that exceeds the statewide average as of December 31, 1986; and

(6) grant awards may not exceed 30 percent of the estimated total cost of the project.

Sec. 10. [APPROPRIATION.]

\$40,000,000 is appropriated to the commissioner of jobs and training for the Minnesota employment and economic development wage subsidy program."

Amend the title as follows:

Page 1, line 4, delete "90" and insert "85"

Page 1, line 8, after the first semicolon insert "establishing a Minnesota entrepreneurial grant in the department of jobs and training;"

Page 1, delete lines 10 and 11 and insert "adding a subdivision; 268.6751, subdivision 1; 268.676; 268.677, subdivision 1; 268.678, subdivision 4; and 268.681, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 268."

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. 872, A bill for an act relating to hazardous waste facilities; providing for financial responsibility when an owner or operator is bankrupt; proposing coding for new law in Minnesota Statutes, chapter 116.

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

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 876, A bill for an act relating to economic development; authorizing counties to appropriate money for economic development; amending Minnesota Statutes 1986, section 375.83.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1: Minnesota Statutes 1986, section 375.83, is amended to read:

375.83 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

Subdivision 1. [APPROPRIATION; TAX LEVY.] A county board may annually either: (1) appropriate not more than \$50,000 annually out of the general revenue fund of the county or (2) levy a tax of not more than one mill on each dollar of assessed valuation in the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county. The limitation on annual appropriations or levies under this subdivision does not prohibit accumulation of amounts in excess of the annual appropriations or levies in a fund to be used for purposes of this section. County funds made available under this subdivision may not be used to finance more than 50 percent of the total cost of an economic development project. The tax authorized by this section is in addition to any other tax imposed by the county and shall not be considered in any tax levy limitations. The tax authorized by this section shall be levied as other property taxes imposed by the county are levied but may not be levied in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 2. [REVERSE REFERENDUM.] If the county board proposes to levy the tax authorized under this section, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county. If, within 20 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a referendum on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. If the county board levies the tax authorized under this subdivision and the tax levy exceeds \$500,000, the county must submit an economic development report to the department of energy and economic development by February 1 of each year and must comply with subdivisions 3 to 7.

Subd. 3. [ECONOMIC DEVELOPMENT DIRECTOR; APPOINTMENT.] The county board must appoint a director of economic development to review county economic development plans, programs, and project proposals. The board may appoint an existing county officer to serve as director of economic development.

Subd. 4. [ECONOMIC DEVELOPMENT DIRECTOR; DUTIES.] All economic development plans, programs, and project proposals must be submitted to the director of economic development. The director shall review and comment on the plans, programs, and project proposals to the county board.

Subd. 5. [ECONOMIC DEVELOPMENT ADVISORY COMMITTEE.] The county board must appoint an economic development advisory committee consisting of at least five persons. One member must be the county attorney. One member must be employed by a financial institution. One member must be knowledgeable in small business and one member must be knowledgeable in large business. Notwithstanding section 471.705, subdivision 1, the advisory committee may meet in closed session to discuss and take action on specific matters where the disclosure of information pertaining to such matters would cause harm to the competitive position of an entity which is the subject of the advisory committee's discussion or

action. Section 471.705, subdivision 1a, applies to the procedure for holding a closed meeting.

Subd. 6. [PROPOSAL EVALUATION.] Before submission to the county board of an economic development proposal for the financing of a project with county funds, the director of economic development must submit the proposal to the economic development advisory committee. The county board must not act on a proposal until it has received the evaluation and recommendations of the advisory committee or until 60 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.

Subd. 7. [ECONOMIC DEVELOPMENT PLAN.] The board must prepare an economic development plan that includes the economic development policy and objectives of the county and provides guidelines for selection of projects that are eligible for financing under this section. The department of energy and economic development must provide assistance in preparing the plan if the county board requests the department's assistance. Before adoption of the plan, the county board must submit a draft plan to the department of energy and economic development for review and comment. The county board may not adopt the plan until comments have been received from the department or 30 days have elapsed after the draft was submitted. The county may adopt the plan only after holding a public hearing on the plan. Notice of the hearing must be provided in a newspaper of general circulation in the county not less than ten days nor more than 30 days before the date of the hearing. The adopted plan must be made available for public inspection at the county auditor's office."

Amend the title as follows:

Page 1, line 3, after "money" insert "or levy a tax" and after the semicolon insert "specifying the conditions under which economic development funds may be used;"

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

The report was adopted.

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

H. F. No. 899, A bill for an act relating to education; establishing the Fond du Lac Higher Education Center; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Sec. 2. Laws 1986, First Special Session chapter 1, article 10, section 1, subdivision 9, is amended to read:

Subd. 9. Governor

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The governor, after consulting with the Fond du Lac reservation and the higher education coordinating board, shall appoint a task force of 13 members to study the feasibility of establishing a coordinate campus of Arrowhead Community College on the Fond du Lac Indian reservation that would be open and available to all. The task force shall report to the legislature on the results of its study by February 1, 1987. The task force shall provide copies of its report to the state board for community colleges and the higher education coordinating board. Those boards shall respond to the legislature on the report of the task force by March 1, 1987. The task force (1) is subject to Minnesota Statutes, section 15.059, subdivision 6 shall continue to operate until June 30, 1989, to oversee the establishment of the Fond du Lac Higher Education Center, (2) may accept money from nonstate sources to do its work, (3) shall cooperate with and invite the participation before it of the federal government, including the bureau of Indian Affairs, and (4) shall report on, among other things, the availability of federal tribal community college funding."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "Center;" insert "continuing the Fond du Lac Higher Education Task Force;" and after "money" insert "; amending Laws 1986, First Special Session chapter 1, article 10, section 1, subdivision 9"

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. 903, A bill for an act relating to retirement; Clifton independent nonprofit firefighting corporation; Duluth township;

providing for the transfer of assets and service credit upon the dissolution of the Clifton volunteer firefighters relief association.

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

The report was adopted.

Kelly from the Committee on Judiciary 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.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 928, A bill for an act relating to economic development; creating an enterprise zone to be designated by the city of Wadena.

Reported the same back with the following amendments:

Page 1, delete lines 22 and 23 and insert "The funding limitations contained in Minnesota Statutes, section 273.1314, subdivisions 8 and 8a, are increased by \$750,000 to provide tax reductions for activities or property located in an enterprise zone designated pursuant to this act. Any other funding limitations contained in Minnesota Statutes, section 273.1314, subdivision 8, do not apply to an enterprise zone designated pursuant to this act. The amount necessary to pay approved tax reductions for an enterprise zone designated pursuant to this act is appropriated to the commissioner of revenue."

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 945, A bill for an act relating to education; requiring a school district to consider consumer education periodically in formulating its planning, evaluation and reporting policy; amending Minnesota Statutes 1986, section 126.66, subdivision 1.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 969, A bill for an act relating to the sentencing guidelines commission; including a crime victim as a member of the commission; providing that terms of members appointed by the governor are coterminous with the governor; amending Minnesota Statutes 1986, section 244.09, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 1, lines 24 and 25, delete the new language

Page 1, line 25, strike the semicolon

Page 1, line 26, strike "(7)"

Page 2, line 2, strike "(8)" and insert "(7)"

Page 2, line 4, strike "(9)" and insert "(8)" and before the period insert "one of whom shall be a crime victim as defined in section 611A.01"

Page 2, after line 21, insert:

"Sec. 3. Minnesota Statutes 1986, section 244.09, subdivision 11, is amended to read:

Subd. 11. [MODIFICATION.] The commission shall meet as necessary for the purpose of modifying and improving the guidelines. Any modification which amends the sentencing guidelines grid, including severity levels and criminal history scores, or which would result in the reduction of any sentence or in the early release of any inmate, with the exception of a modification mandated or authorized by the legislature or relating to a crime created or amended by the legislature in the preceding session, shall be submitted to the legislature by January 1 of any year in which the

commission wishes to make the change and shall be effective on August 1 of that year, unless the legislature by law provides otherwise. All other modifications shall take effect according to the procedural rules of the commission. On or before ~~November~~ January 1 of each year, the commission shall submit a written report to the judiciary committees of the senate and the house of representatives that identifies and explains all modifications made during the preceding 12 months and all proposed modifications that ~~will be~~ are being submitted to the legislature on January 1 that year."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "changing the date on which the commission's report to the legislature is due;"

Page 1, line 7, delete "and" and insert a comma and before the period insert ", and 11"

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. 990, A bill for an act relating to crimes; providing that persons convicted of a crime of violence may not ship, transport, possess, or receive a firearm for ten years following restoration of civil rights, the setting aside of a conviction, or a pardon; amending Minnesota Statutes 1986, sections 609.165, by adding a subdivision; 609.168; 624.712, subdivision 5; and 638.02, subdivision 2.

Reported the same back with the following amendments:

Page 3, after line 19, insert:

"Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

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. 1015, A bill for an act relating to motorboat safety; providing for enforcement of sanctions for operation of a motorboat while under the influence of alcohol or a controlled substance;

amending Minnesota Statutes 1986, section 361.121, subdivision 2, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 361.121, subdivision 2, is amended to read:

Subd. 2. [PENALTIES; REFUSAL; REVOCATION OF MOTOR-
BOAT OPERATING PRIVILEGE.] (a) If a person who refuses to take
a test required under subdivision 1 is subject to a civil penalty not to
exceed \$700 and, in addition, the person is prohibited from operat-
ing any motorboat on the waters of this state for a period of one year,
none must be given, but the officer authorized to make arrests under
section 361.12, subdivision 2, shall report the refusal to the commis-
sioner of natural resources and to the authority having responsibil-
ity for prosecution of misdemeanor offenses for the jurisdiction in
which the incident occurred that gave rise to the test demand and
refusal.

On certification by the officer that probable cause existed to
believe the person had been operating or in physical control of a
motorboat while under the influence of alcohol or a controlled
substance, and that the person refused to submit to testing, the
commissioner shall impose a civil penalty of \$500 and shall prohibit
the person from operating any motorboat on the waters of this state
for a period of 12 months. If the person refusing to submit to testing
is under the age of 18 years at the time of the refusal, the person's
watercraft operator's permit shall be revoked by the commissioner as
set forth in this subdivision and a new permit after the revocation
must be issued only after the person successfully completes a
watercraft safety course.

On behalf of the commissioner, an officer requiring a test or
directing the administration of a test shall serve on a person who
refused to permit a test immediate notice of intention to impose the
civil penalty set forth in this subdivision, to prohibit the operation of
motorboats, and to revoke a watercraft operator's permit. The officer
shall take any watercraft operator's permit held by the person, and
shall send the permit to the commissioner along with the certifica-
tion provided for in this subdivision. If the officer fails to serve a
notice of intent to revoke, the commissioner may notify the person by
mail, and the notice is deemed received three days after mailing.
The notice must advise the person of the right to obtain adminis-
trative and judicial review as provided in this section. The prohibi-
tion and revocation, if any, shall take effect ten days after receipt of
the notice. The civil penalty is imposed on receipt of the notice, and
shall be paid within 30 days of imposition.

(b) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat as provided under paragraph (a) is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1986, section 361.121, is amended by adding a subdivision to read:

Subd. 2a. [ADMINISTRATIVE REVIEW.] At any time during the period of prohibition or revocation imposed under this section, the person may request in writing a review of the order imposing sanctions under this section by the commissioner of natural resources. If the person makes a request for administrative review within 30 days following receipt of a notice and order imposing sanctions, the request shall stay imposition of the civil penalty. Upon receiving the request for review, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days after receiving the request, the commissioner shall issue a written report ordering that the prohibition, revocation, or civil penalty be either sustained or rescinded. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. The availability of administrative review shall have no effect upon the availability of judicial review under this section.

Sec. 3. Minnesota Statutes 1986, section 361.121, is amended by adding a subdivision to read:

Subd. 2b. [JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order imposing sanctions under this section, a person may petition the court for review. The petition must be filed with the court administrator of the county, municipal, or unified trial court in the county where the incident occurred which gave rise to the test demand and refusal, together with proof of service of a copy on the commissioner and the prosecuting authority for misdemeanor offenses for the jurisdiction in which the incident occurred. No responsive pleading must be required of the commissioner of natural resources, and no court fees must be charged for the appearance of the representative of the commissioner in the matter.

The petition must be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition must state with specificity the grounds upon which the petitioner seeks rescission of the order imposing sanctions.

The filing of the petition does not stay the revocation or prohibition against operation of a motorboat. However, the filing of a

petition shall stay imposition of the civil penalty. The judicial review shall be conducted according to the rules of civil procedure.

Sec. 4. Minnesota Statutes 1986, section 361.121, is amended by adding a subdivision to read:

Subd. 2c. [HEARING.] A hearing under this section must be before a municipal, county, or unified trial court judge in the county where the incident occurred which gave rise to the test demand and refusal. The hearing must be to the court, and may be conducted at the same time as hearings upon pretrial motions in the criminal prosecution under section 361.12. The hearing must be recorded. The commissioner must be represented by the prosecuting authority for misdemeanor offenses for the jurisdiction in which the incident occurred which gave rise to the test demand and refusal.

The hearing must be held at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review. The reviewing court may order a temporary stay of the balance of the prohibition or revocation if the hearing has not been conducted within 60 days after filing of the petition, upon the application of the petitioner and upon terms the court deems proper.

The scope of the hearing must be limited to the issues of:

(1) whether the officer had probable cause to believe that the person was operating or in physical control of a motorboat in violation of section 361.12;

(2) whether one of the conditions in subdivision 1 existed;

(3) whether the person was informed as prescribed in subdivision 3; and

(4) whether the person refused to submit to testing.

It is an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

The court shall order that the prohibition or revocation be either sustained or rescinded, and shall either sustain or rescind the civil penalty imposed by the commissioner of natural resources. The court shall forward a copy of the order to the commissioner of natural resources.

Sec. 5. Minnesota Statutes 1986, section 361.121, subdivision 3, is amended to read:

Subd. 3. [RIGHTS AND OBLIGATIONS.] At the time a test is requested, the person must be informed:

(1) that Minnesota law requires a person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) that a person is subject to a civil penalty ~~not to exceed \$700 of \$500~~ for refusing to take the test and, in addition, the person is prohibited from operating any motorboat, as provided under subdivision 2, for refusing to take the test;

(3) that if testing is refused it will not affect the person's motor vehicle driver's license;

(4) that if the test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and in addition to any other penalties the court may impose, the person's operating privileges will be suspended as provided under section 361.12, subdivision 6, paragraph (a);

(5) that, after submitting to testing, the person has the right to have additional tests made by someone of the person's own choosing; and

(6) that a refusal to take a test will be offered into evidence against the person at trial.

Sec. 6. Minnesota Statutes 1986, section 361.121, is amended by adding a subdivision to read:

Subd. 8. [CIVIL PENALTY; PAYMENT.] The civil penalty imposed under subdivision 2 must be paid to the political subdivision that represents the commissioner on the petition for judicial review or, in the event that no petition is filed, to the political subdivision that would have represented the commissioner had a petition been filed. If a person does not pay the civil penalty, the prohibition against operating motorboats is automatically extended until the political subdivision reports in writing to the commissioner that the penalty has been paid.

Sec. 7. Minnesota Statutes 1986, section 361.121, is amended by adding a subdivision to read:

Subd. 9. [CIVIL PENALTY; ENFORCEMENT.] If a person does not pay the civil penalty imposed under subdivision 2 within 30 days of the time the penalty was imposed, the prosecuting authority representing the commissioner may petition the municipal, county, or unified court in the jurisdiction where the incident occurred to file

the order imposing the civil penalty as an order of the court. Once entered, the order may be enforced in the same manner as a final judgment of the court. In addition to the penalty, attorney's fees, costs, and interest may be assessed against any person who fails to pay the civil penalty.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment, and apply to all proceedings begun on or after that date."

Amend the title as follows:

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

Page 1, line 6, after "2" insert "and 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1038, A bill for an act relating to horse racing; regulating license suspensions and revocations of class C licenses; modifying the time periods and dollar limitations used to trigger contested case hearings; requiring rules that prohibit horses from carrying foreign substances when they race; requiring medical testing fee rules; making permanent the statutory provisions authorizing the use of certain medications; amending Minnesota Statutes 1986, sections 240.08, subdivision 5; 240.16, subdivision 1; 240.22; 240.24, subdivisions 1 and 3; and Laws 1985, chapter 211, section 5.

Reported the same back with the following amendments:

Page 1, line 28, delete "120" and insert "90"

Page 2, line 3, delete "120" and insert "90"

Page 2, line 32, delete "120" and insert "90"

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. 1041, A bill for an act relating to adoption; requiring certain notifications to parents placing a child for adoption and to proposed adoptive parents; requiring a waiting period for adoption by persons whose parental rights to another child have been terminated; specifying circumstances that do not constitute good cause for terminating parental rights; amending Minnesota Statutes 1986, sections 259.23, subdivision 2; 259.24, subdivision 5; 259.25, subdivision 1; 259.27, by adding a subdivision; and 260.221; proposing coding for new law in Minnesota Statutes, chapter 259.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 2, line 33, delete everything after the period

Page 2, line 34, delete everything before "Unless" and insert "Parental rights to a child may be terminated only by an adoption decree or by a court order terminating parental rights."

Page 3, line 28, delete everything after the period

Page 3, line 29, delete everything before "Unless" and insert "Parental rights to a child may be terminated only by an adoption decree or by a court order terminating parental rights."

Page 5, delete lines 15 to 19

Page 5, delete section 5

Pages 5 and 6, delete section 6

Page 7, delete lines 19 to 25 and insert:

"For purposes of clause (a), an adoptive parent may not terminate parental rights to an adopted child for any reason that would not apply to a birth parent seeking termination of parental rights to a child under clause (a)."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "requiring a waiting period"

Page 1, delete line 5

Page 1, line 6, delete everything before "specifying"

Page 1, delete line 7

Page 1, line 8, delete everything before the semicolon and insert "that adoptive parents may not voluntarily terminate parental rights for any reason not available to birth parents"

Page 1, line 9, delete "259.23, subdivision 2;"

Page 1, line 10, delete "259.27, by"

Page 1, line 11, delete "adding a 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. 1046, A bill for an act relating to family law; specifying conditions for retroactive modification of child support; amending Minnesota Statutes 1986, section 518.64, 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. 1051, A bill for an act relating to retirement; teacher retirement funds; providing for an increase in employer contributions; separating certain employer contributions into employer matching and employer additional contributions; amending Minnesota Statutes 1986, sections 354.42, subdivision 5; and 354A.12, subdivision 2.

Reported the same back with the following amendments:

Page 3, after line 3, insert:

"Duluth teachers retirement
fund association 2.02 percent"

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. 1053, A bill for an act relating to human services; creating a child care grant program; establishing an AFDC employment and training program; coordinating administration of the programs; providing for allocation of administrative costs and use of funds for work readiness program; exempting all educational grants and loans for purposes of AFDC eligibility; designating priority groups for receipt of AFDC; establishing conditions under which certain welfare recipients must participate in employment or training; establishing a pilot program for obtaining and enforcing child and medical support; amending Minnesota Statutes 1986, sections 245.83; 256.01, subdivision 2; 256.736, subdivisions 3, 4, and by adding subdivisions; 256.74, subdivision 1; 256D.051, subdivisions 1, 6, and by adding subdivisions; 267.02, by adding subdivisions; 267.03, subdivision 2; 267.04, subdivisions 1, 3, and 4; 268.0111, by adding subdivisions; 268.0122, subdivisions 2 and 3; 268.673, subdivisions 3 and 5; 268.6751, subdivisions 1, 2, and by adding a subdivision; 268.676; 268.677, subdivisions 2 and 3; 268.678; 268.679, subdivision 3; 268.681, subdivisions 1, 2, and 3; 268.682, subdivision 3; 268.85, subdivision 2; 268.86, subdivision 1; 268.871; 268.872, subdivisions 2 and 3; 268.88; 268.89, subdivision 3; 268.90, subdivision 4; 268.91, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 268.911, subdivision 1; 518.551, by adding a subdivision; and 518.611, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; 256; and 268; repealing Minnesota Statutes 1986, sections 256D.05, subdivisions 4, 5, and 11; 267.02, subdivision 5; 268.0111, subdivisions 6 and 8; and 268.672.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [136A.89] [CHILD CARE GRANT PROGRAM.]

Subdivision 1. [CREATION.] There is created a child care grant program under the supervision of the higher education coordinating board. The program makes funds available to students, including students who are employed, to reduce the costs of child care while attending an eligible institution.

Subd. 2. [DEFINITIONS.] As used in this section, the following words have the meaning given them here.

(a) "AFDC" means recipients of aid to families with dependent children.

(b) "Board" means the Minnesota higher education coordinating board.

(c) "Child" means any person 12 years of age or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

(d) "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

(e) "Director" means the executive director of the higher education coordinating board.

(f) "Eligible institution" means an institution within one of the systems as defined under clause (i).

(g) "Number of students with dependent children" means the sum of all Minnesota residents enrolled in eligible institutions who report dependents on their application to the state scholarship and grant program.

(h) "Priority groups" means caretakers receiving AFDC who are under the age of 22, do not have a high school diploma or general equivalency diploma, or have been receiving aid to families with dependent children for more than 24 months of the last 36 months.

(i) "Systems" are the public post-secondary education system, including the University of Minnesota, state universities, community colleges, and area vocational technical institutes.

Subd. 3. [DUTIES OF THE DIRECTOR.] The director shall set aside one-half of child care funds appropriated under this section for use by AFDC recipients attending eligible institutions. The director shall ensure that priority for use of funds is given to the priority groups within the aid to families with dependent children caseload. If systems report that priority recipients are not being served, the director may restrict the use of funds set aside under subdivision 4 so that one-half of the set-aside funds are reserved for priority recipients.

Subd. 4. [ALLOCATION OF FUNDS.] (a) The board shall allocate funds to the systems as follows:

(1) set-aside funds are allocated to each system based on the number of students in the system receiving AFDC in the most recent school year; and

(2) remaining funds are allocated to each system based on the number of students with dependent children enrolled in the system in the last fiscal year.

(b) By April 1 of each year, each system must return to the board the amount of funds it projects will not be used within the system during the remainder of the fiscal year. The board must redistribute these funds among the systems as needed. Board procedures governing redistribution of state scholarship and grant money apply to the redistribution of funds under this section.

Subd. 5. [DISTRIBUTION OF GRANTS.] Systems receiving grants under this section must:

(1) allocate funds using the same eligibility requirements, payment rates for child care services, and sliding fee schedules as established by the commissioner of human services under section 268.91;

(2) reserve set-aside funds for the exclusive use of students receiving AFDC, except as follows: if the system can project, at the end of the first year of funding that all set-aside funds allocated for the year will not be used, the system may release a reasonable proportion of the funds for use by other students with dependent children. In making projections and redistributing funds under this clause, a system must take into account customary changes in attendance patterns over the course of a school year as well as information from local agencies and service providers on the number of anticipated students and must retain for the exclusive use of students who receive AFDC sufficient funds to fill projected needs but not less than 65 percent of the set-aside funds;

(3) in distributing set-aside funds, give priority to recipients identified by their case managers as having a priority for services, as follows: when a system receives notice from a case manager that a priority recipient is applying for child care funds, the system must immediately reserve funds for the recipient. Before August 1, 1988, the system must review its use of set-aside funds to see whether any priority recipients were denied funds. If any priority recipients were denied funds and if less than one-half of the set-aside funds were used for priority recipients, the system must develop a distribution formula that reserves one-half of the set-aside funds for priority recipients and must report to the director the extent to which funds were unavailable for priority recipients;

(4) enter into cooperative agreements with employment and training service providers as necessary to coordinate the use of set-aside funds for priority group members;

(5) submit to the director quarterly reports on program activity during the preceding quarter. Expenditures shall be reported for students who are:

(a) AFDC recipients;

(b) AFDC recipients who are also a member of a priority group; and

(c) not AFDC recipients.

These reports shall include the names, social security numbers, and child care costs of each AFDC recipient. The director shall submit the reports to the commissioner of human services to maximize federal financial participation in the aid to families with dependent children employment special needs program under section 256.736, subdivision 8. Federal funds obtained shall be used to expand the child care fund under Minnesota Statutes 1986, section 268.91. The reports shall include other information required by the director or the commissioner of human services for the administration and evaluation of the program.

Subd. 6. [ELIGIBLE STUDENTS.] (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota or is a recipient of aid to families with dependent children;

(2) is pursuing a program or course of study that applies to an undergraduate degree, diploma, or certificate; and

(3) is attending an eligible institution.

Child care grants shall be awarded for a single term as defined by the institution in accordance with policies of the higher education coordinating board. Awards may be renewable but the recipient of an award must supply additional information on child care expenses.

(b) Recipients who have completed their post-secondary education and had received child care funds from the higher education coordinating board during that education shall be assured sliding fee funds for employment and training programs for up to nine months after graduation if they meet eligibility standards established in section 56.

Sec. 2. Minnesota Statutes 1986, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) if born and living with the woman; or

(6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(7) who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(8) who is under 21 years of age and in need of medical care that neither the person nor the person's relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or

(10) who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(11) who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the rules of the state agency; and

(12) who alone, or together with the person's spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(13) who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(14) who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to $133\frac{1}{3}$ of the AFDC payment standard, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the rules of the state agency. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Number 94-566, section 503. In excess income cases, eligibility shall be limited to a

period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(15) who has continuing monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or receivable by the person or the person's spouse from automobile accident coverage and private health care coverage to the costs of medical care for the person, the spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 3. Minnesota Statutes 1986, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed ~~two~~ four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more coun-

ties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

Sec. 4. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:

Subd. 7. [VERIFICATION PROCEDURES.] The commissioner shall form an advisory committee of local agency representatives, state officials, and recipients to recommend and implement ways to reduce verification procedures at the local level. The goal of this effort is to treat clients with dignity and expect client honesty. Verification procedures should be reduced to a minimum at the time of application and increased only as needed.

Sec. 5. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] As used in this section the following words have the meanings given them:

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means that group of AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Caretaker" means a parent or eligible adult who is part of the assistance unit that has applied for or is receiving AFDC.

(d) "Employment and training services" means programs, activities, and services related to job training and job placement, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to an

advanced degree, vocational education programs, work incentive programs, work readiness programs, employment search, community work experience programs, displaced homemaker programs, self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, supported work programs, and counseling and support activities necessary to stabilize the caretaker or the family.

(e) "Employment and training service provider" means an administrative entity certified by the commissioner of jobs and training to deliver employment and training services.

(f) "Minor parent" means a caretaker relative who is the parent of the dependent child or children in the assistance unit and who is under the age of 18.

(g) "Priority groups" or "priority caretakers" means recipients of AFDC or AFDC-UP designated as priorities for employment and training services under section 6.

Sec. 6. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 2a. [PRIORITY GROUPS.] Priority for participation in employment and training services under this section must be given to caretakers who:

(1) are under the age of 22;

(2) have not received a high school diploma or general equivalency diploma; or

(3) have received 24 months or more of AFDC over the last 36 months.

Sec. 7. Minnesota Statutes 1986, section 256.736, subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAMS REGISTRATION.] To determine who shall be designated as an appropriate individual for certification for employment and training services, the commissioner of jobs and training shall provide, by rule, standards for county boards consistent with the standards promulgated by the secretary of health and human services. County boards shall certify appropriate individuals for employment and training services, shall notify the commissioner of human services, and shall require that every individual certified, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is: (a) To the extent permissible under federal law, every caretaker or child is required to

register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person caretaker who is ill, incapacitated or of advanced age 55 or older;

(3) a person so remote from caretaker for whom participation in an employment and training service and where transportation is not reasonably available that effective participation is precluded would require a round trip commuting time by available transportation of more than two hours;

(4) a person caretaker whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a parent caretaker or other caretaker relative of a child under the age of six who personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

(7) a pregnant woman in the last trimester of pregnancy; or

(8) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (7).

Any individual referred to in clauses (3) and (5) to (8) must be advised of the option to register for any available employment services, and training services, and employment if the individual so desires, and must be informed of the any available child care and other support services available if the individual decides to register.

If, after planning with a recipient a decision is made that the recipient must register for employment services, training, and employment, the county board shall notify the recipient in writing of the need to register for participation in an employment and training service and that the recipient (b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on the effective date of this section shall

register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 8. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3a. [PARTICIPATION.] Caretakers in priority groups must participate in employment and training services under this section to the extent permissible under federal law. However, no assistance unit may be sanctioned for a caretaker's failure to participate in employment and training services under this section if failure results from inadequate funding for employment and training services.

Sec. 9. Minnesota Statutes 1986, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any ~~relative or child~~ caretaker required to ~~register for~~ participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Pay ten percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulations; and

(4) Provide that when it has been certified by the ~~commissioner of jobs and training, certification to be binding upon the commissioner of human services county board,~~ that a ~~relative or child~~ certified under caretaker required to participate in an employment and training program to the ~~commissioner of jobs and training~~ has been found by the ~~commissioner,~~ after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, employment and training service provider to have refused without good cause to participate in appropriate employment and training services or to have refused without good cause to accept a bona fide

offer of public or other employment, the county board shall provide that:

(a) If the relative caretaker makes the refusal, the relative's caretaker's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the relative caretaker if a protective payee cannot reasonably be found.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and the child's needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87, if the family is subject to requirements of the work incentive program.

Sec. 10. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 4a. [NOTICE AND RIGHT OF APPEAL.] The employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736, is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 11. Minnesota Statutes 1986, section 256.736, subdivision 6, is amended to read:

Subd. 6. [PROTECTION FROM GARNISHMENT.] Earnings of a recipient caretaker while participating in full or part-time employment or training shall be protected from garnishment. This protection shall extend for a period of six months from the date of termination of a recipient's caretaker's grant of assistance.

Sec. 12. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 10. [COUNTY DUTIES.] County boards shall:

(1) refer all priority caretakers required to register under subdivision 3 to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with an orientation which (a) gives information on available employment and training services and support services, and (b) encourages clients to view AFDC as a temporary program providing grants and services to clients who set goals and develop strategies for supporting their families without AFDC assistance;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) encourage nonpriority caretakers to attend orientation and to develop a plan to obtain self-sufficiency;

(7) notify the commissioner of the caretakers required to participate in employment and training services;

(8) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(9) provide transportation assistance using the employment special needs fund to caretakers who participate in employment and training programs, with priority for services to caretakers in priority groups; and

(10) ensure that orientation, employment search, and case management services are made available to appropriate caretakers under this section.

A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

Sec. 13. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] For clients described in section 6, the case manager shall:

(1) Assess the education, skills, and ability of the caretaker to secure and retain a job which, when added to child support, will support the caretaker's family. The case manager must work with the caretaker in completing this task;

(2) Set goals and develop a timetable for completing education and employment goals. The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker must be to complete literacy training or a general education diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) For minor parents, assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents who are not living with friends or relatives to live in a group home or foster care setting. If minor parents are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess the minor parent's need for training in parenting and independent living skills and shall refer appropriate minor parents to available counseling programs designed to teach needed skills;

(4) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). When a client needs child care services in order to attend an eligible institution under section 1 the case manager shall contact the appropriate system to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general education diploma is eligible for child care under section 268.91;

(5) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal; (b) specific services provided by the county agency; and (c) conditions under which the county will withdraw the services provided.

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(6) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

Sec. 14. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 12. [CASE MANAGERS.] (a) Counties may directly employ case managers if certified as an employment and training service provider under section 268.0122, or may contract for case management services with a certified employment and training service provider. Uncertified counties and contracting agencies may provide case management services only if they demonstrate the ability to coordinate employment, training, education, and support services. The commissioner of jobs and training shall determine whether or not an uncertified county or agency has demonstrated such ability.

(b) Counties that employ case managers must ensure that the case managers have the skills and knowledge necessary to perform the variety of tasks described in subdivision 11. Counties that contract with another agency for case management services must specify in the contract the skills and knowledge needed by the case managers. At a minimum, case managers must:

(1) have a thorough knowledge of training, education, and employment opportunities;

(2) have training or experience in understanding the needs of AFDC clients and their families; and

(3) be able to formulate creative individualized contracts.

Sec. 15. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 13. [EMPLOYMENT SEARCH.] (a) The commissioner of human services shall establish an employment search program pursuant to section 402(A)35 of the Social Security Act. The principal wage earner in an AFDC-UP assistance unit must participate in the employment search program within four months of being determined eligible for AFDC-UP unless:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities; or

(3) the caretaker is unable to secure employment due to inability to communicate in the English language.

The employment and training service provider shall refer caretakers unable to communicate in the English language to English as a second-language courses.

(b) The employment search program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks.

(c) The employment search program may provide services to non-AFDC-UP caretakers.

Sec. 16. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 14. [REPORTING.] The commissioner of human services, in cooperation with the commissioner of jobs and training and the coordinator of full productivity and opportunity, shall develop reporting requirements for local agencies and employment and training service providers. The requirements must include information necessary to track recipients as they move between activities and information necessary to evaluate the effectiveness of the services.

Sec. 17. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 15. [STATE SHARE.] (a) The state must pay 75 percent of costs incurred by counties under subdivision 11, except that after July 1, 1988, the commissioner shall adjust the state share to reflect county performance. Factors which the commissioner may consider in adjusting the state share must include, but are not limited to, the following:

(1) percentage of long-term cases leaving the AFDC program after one year, two years, and three years;

(2) percentage of minor parents who finish high school;

(3) percentage of caretakers who are in training or education and are successfully working toward their contracted goals; and

(4) percentage of caretakers leaving the AFDC program.

The commissioner may raise or lower the state share of costs by a maximum of ten percent.

(b) If the state appropriation is not sufficient to fund the cost of case management services for all caretakers identified in subdivision 2a, the commissioner must define a statewide subgroup of caretakers which includes all caretakers in subdivision 2a, clause (1) and as many caretakers as possible from subdivision 2a, clauses (2) and (3).

(c) The commissioner shall allocate funds for employment and training services to the counties as follows:

(1) a portion based on the average monthly number of AFDC-UP cases in each county, to be used for the employment search activities described in subdivision 13;

(2) a portion based on the average monthly number of all AFDC cases to be used for the orientation and referral activities described in subdivision 10; and

(3) a portion based on the average monthly number of caretakers receiving AFDC who are under the age of 22 and the average monthly number of AFDC cases open for 24 or more consecutive months. Counties shall use this portion of funds for employment search, job preparedness, and training-related expenses with priority caretakers.

The commissioner shall determine the portion of funds for clauses (1) to (3). Funds shall be allocated at the beginning of each fiscal year, based on the average monthly cases for the 12-month period ending March 31 of the previous fiscal year.

(d) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services for the reimbursement and appropriate the reimbursed money to the county or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand services in this section.

Sec. 18. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 16. [PHASE-IN.] The commissioner shall implement this section on a statewide basis as quickly as possible. The commissioner may phase in changes under the section in any reasonable manner that ensures a unified, statewide coordinated program by no later than December 31, 1988.

Sec. 19. Minnesota Statutes 1986, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) the first \$75 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual

living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;

(5) thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) refused without good cause to accept an offer of suitable employment; or

(c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or

(d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clauses (5)(a) to (5)(d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under clause (d), the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for

medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and

(7) that portion of an insurance settlements settlement earmarked and used to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part expenses, funeral and burial costs, or to repair or replace insured property.

The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days of the collection of such periodic support payments and shall be disregarded in determining the amount of assistance.

Sec. 20. Minnesota Statutes 1986, section 267.02, is amended by adding a subdivision to read:

Subd. 2a. [EMPLOYMENT AND TRAINING SERVICE PROVIDER.] "Employment and training service provider" means an administrative entity certified by the commissioner to deliver employment and training services.

Sec. 21. Minnesota Statutes 1986, section 267.03, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The coordinator of full productivity and opportunity may:

(1) appoint a deputy, a confidential secretary, and up to two additional employees, in the unclassified service;

(2) appoint other employees under chapter 43A;

(3) make rules under chapter 14;

(4) enter into contracts;

(5) further the objectives of the biennial plan by recommending to the governor interdepartmental transfer of employment and training services or income maintenance and support services, which the commissioner of administration, if so ordered by the governor, shall carry out as provided in section 16B.37, subdivisions 1, 2, and 3, and implement so as not to lead to a reduction of federal money to the state or its political subdivisions;

(6) further the objectives of the biennial plan by recommending to the governor transfer of one or more employment and training services or income maintenance and support services to a certified service provider other than a state agency;

(7) initiate emergency wage subsidies, consider the recommendations of the commissioner of jobs and training for the use of the discretionary portion of wage subsidy appropriations, and allocate the discretionary portion of wage subsidy appropriations;

(8) require the commissioners of jobs and training, human services, energy and economic development, and administration, and the state planning director, to furnish technical, administrative, and financial services to the coordinator upon request;

(9) require agencies to submit to the coordinator for approval or disapproval within 20 days any rule that relates to employment and training services or income maintenance and support services before the publication of the notice of intent required by section 14.22 or 14.30, and, if it is disapproved, require that the rule be amended and resubmitted to the coordinator;

(10) by October 1, 1987, establish by permanent or emergency rule under chapter 14 the standards by which the commissioner of jobs and training shall certify employment and training service providers, including a requirement that certified providers have the ability to access available federal, state, and local employment and training services, educational services, and appropriate support services;

(11) decertify service providers after consultation with the commissioner;

(12) contract with another local service unit or certified service provider for employment and training services in that local service unit if the coordinator, after consultation with the commissioner of jobs and training, finds that a local service unit consistently fails to provide service of sufficient quantity and quality to satisfy criteria established for the receipt of state money; ~~and~~

(13) ratify or disapprove the commissioner of jobs and training's decisions regarding the approval or disapproval of local service unit plans and community investment program plans; and

(14) require state agencies, local agencies, and employment and training service providers to collect and provide any information necessary to evaluate the effectiveness of employment, training, education, and support services.

Sec. 22. [267.07] [SERVICE DELIVERY IMPROVEMENT PILOT PROJECT.]

Subdivision 1. [STEP.] "STEP" means the strive toward excellence program administered by the department of administration.

Subd. 2. [PILOT PROJECT ESTABLISHED; GOALS.] The service delivery improvement project, consisting of six pilot projects selected under subdivision 4, is established to use STEP productivity improvement technology to achieve the following goals: redesign of employment and training and income maintenance delivery systems as required under Laws 1985, First Special Session chapter 14, article 9; and improvement of the quality and cost effectiveness of employment and training and income maintenance services provided to clients.

Subd. 3. [COMMITTEE.] The coordinator shall establish and select a committee to administer the service delivery improvement project. The committee consists of the coordinator, the commissioner of jobs and training, the commissioner of human services, one member of the senate, one member of the house of representatives, one public member representing the private sector, and other public members considered necessary by the coordinator. The coordinator may reimburse the public members for actual expenses in the same manner and amount as authorized by the commissioner's plan under section 43A.18, subdivision 2.

Subd. 4. [DUTIES.] The committee shall solicit from local service units or consortia of local service units proposals to conduct innovative pilot projects to redesign the employment and training and income maintenance delivery system. By December 1, 1987, the committee shall evaluate the proposals and select six pilot projects to receive training and technical assistance as provided in subdivision 6.

Subd. 5. [EVALUATION.] The committee shall evaluate each proposal based upon the extent to which the proposed pilot project uses STEP productivity improvement technology, addresses the goals set forth under subdivision 2, and involves members of the private sector in joint financing of delivery system innovations.

Subd. 6. [TRAINING AND TECHNICAL ASSISTANCE.] The coordinator shall contract with the department of administration to provide staff training, technical assistance, and detailed periodic reports of the day-to-day operation of a pilot project to affected local service units.

Subd. 7. [COOPERATION OF AGENCIES.] The commissioner of human services and the commissioner of jobs and training shall cooperate fully with local service units undertaking pilot projects under this section. If requested by a local service unit which has had a pilot project selected under subdivision 4, the commissioner shall reduce, to the extent possible, reporting and other requirements which may be applicable under state law to that pilot project.

Sec. 23. Minnesota Statutes 1986, section 268.0122, subdivision 3, is amended to read:

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer the aspects of aid to families with dependent children, general assistance, work readiness, and food stamps that relate to employment and training services, subject to the ~~limitations of federal regulations~~ contract under section 268.86, subdivision 2;

(3) administer wage subsidies and the discretionary training and retraining fund, and recommend to the coordinator the use of the discretionary portion of wage subsidy appropriations;

(4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;

(5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;

(6) enter into agreements with other departments of the state and local units of government as necessary;

(7) certify ~~competent~~ employment and training service providers and, with the concurrence of the coordinator, decertify service providers that fail to comply with performance criteria according to standards established by the coordinator;

(8) provide consistent, integrated employment and training services across the state;

(9) establish the standards for all employment and training services administered under this chapter;

(10) develop standards for the contents and structure of the ~~county~~ local service unit plans;

(11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) prepare a plan and submit it to the coordinator in each even-numbered year, according to standards established by the

coordinator, for use in developing a statewide employment and training plan;

(13) identify underserved populations, unmet service needs, and funding requirements;

(14) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; and

(15) submit to the governor, the coordinator, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report that:

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients;

(c) identifies the number of cooperative agreements in place, the number of individuals being served, and the kinds of service provided them;

(d) evaluates the performance of services, such as wage subsidies, community investments, work readiness, and grant diversions; and

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance, work readiness, and aid to families with dependent children caseloads and program expenditures.

Sec. 24. Minnesota Statutes 1986, section 268.85, subdivision 2, is amended to read:

Subd. 2. [ORDER OF PRIORITY.] (a) The priority for services to be provided is:

(1) permanent, unsubsidized, full-time private or nonprofit sector employment and, where possible, in conjunction with targeted jobs tax credits as defined at United States Code, title 26, section 44B, as amended by Public Law Number 98-369, with highest priority to employment with paid medical benefits;

(2) permanent, subsidized, full-time private sector employment;

(3) permanent, subsidized, full-time nonprofit sector employment;

(4) training;

(5) relocation, except that relocation is considered only when a client can find affordable housing near the new location; and

(6) part-time, subsidized, nonprofit, or public employment with continued employment assistance.

(b) Individuals receiving any of the priority services in paragraph (a) must be provided with child care, transportation, or other support services as necessary and in relation to their eligibility and the availability of funds.

(c) In delivering employment and training services, local service units shall distribute their available resources in a manner that provides greater incentives to clients in permanent private or nonprofit sector employment than in public sector jobs.

Sec. 25. Minnesota Statutes 1986, section 268.86, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT DISCRETIONARY PROGRAMS.] The commissioner ~~shall~~ may develop and administer discretionary employment and training services programs to assist appropriate recipients of public assistance and unemployed and underemployed persons eligible to receive wage subsidies to become economically independent. The services ~~must~~ have as their objective the improvement of clients' opportunities for economic independence through permanent employment. The services must provide sufficient employment and training options to allow local service units to effectively meet the support services, educational, and training needs of their public assistance and wage subsidy clients programs may include on-the-job training, wage subsidies, classroom training, relocation expenses, temporary cash assistance for persons in training, and support services.

Sec. 26. Minnesota Statutes 1986, section 268.86, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION INTERAGENCY AGREEMENTS.] Under agreements necessary to comply with federal regulations, By October 1, 1987, the commissioner, on behalf of and the commissioner of human services, shall administer enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and food stamps. The commissioner shall administer employment and training services for general assistance and work readiness recipients in consultation with the commissioner of human services, including AFDC employment and training programs, grant diversion, and supported work. The contract must be approved by the coordinator and must address:

- (1) specific roles and responsibilities of each department;
- (2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;
- (3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;
- (4) procedures for providing technical assistance to local service units and employment and training service providers;
- (5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;
- (6) procedures for reimbursing appropriate agencies for administrative expenses; and
- (7) procedures for accessing available federal funds.

Sec. 27. Minnesota Statutes 1986, section 268.86, subdivision 4, is amended to read:

Subd. 4. [EMPLOYABILITY PLANS.] The commissioner shall require that a public assistance recipient's employment status is appraised within 30 days and that a written employability plan is prepared for appropriate public assistance recipients in consultation with the recipients. The plan must take into account the level of skill and education of the recipient, as measured against the existing market, the length of time the recipient has been absent from the work force, and the recipient's financial responsibility to a family, if any. The plan must be designed to help the recipient obtain suitable employment, or training and work skills necessary to secure suitable employment, and may include an arrangement with another service provider or agency for specialized employment, education, training, or support services. For a caretaker of a family receiving aid to families with dependent children, "suitable employment" must produce a net income which, taking into account the cost of medical insurance and expenses of work, including child care and transportation, equals or exceeds the standard of need determined under section 256.74, subdivision 1. A copy of the plan must be given to the recipient at the time it is prepared; an additional copy must be given to the local agency for its files.

Sec. 28. Minnesota Statutes 1986, section 268.871, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY AND CERTIFICATION.] Unless prohibited by federal law or otherwise determined by state law or the coordinator, a local service unit is responsible for the delivery of employment and training services. After February 1, 1986 1988, employment and training services must be delivered by public, nonprofit, or private service providers that are certified to provide the services employment and training service providers.

Sec. 29. Minnesota Statutes 1986, section 268.871, subdivision 2, is amended to read:

Subd. 2. [CONTRACTING PREFERENCE.] In contracting, a local service unit must give preference, whenever possible, to existing certified employment and training service providers including the job service, opportunities industrialization centers, displaced homemaker providers, work incentive providers, Minnesota employment and economic development act providers, post-secondary educational institutions, and job training partnership act programs that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to serve public assistance clients as well as other unemployed people.

Sec. 30. Minnesota Statutes 1986, section 268.871, is amended by adding a subdivision to read:

Subd. 5. [REPORTS.] Each employment and training service provider under contract with a local service unit to deliver employment and training services must submit an annual report by March 1 to the local service unit. The report must specify:

- (1) types of services provided;
- (2) number of priority and nonpriority AFDC recipients served, the number of work readiness assistance recipients served, and the number of other clients served;
- (3) how resources will be prioritized to serve priority and nonpriority public assistance recipients and other clients; and
- (4) manner in which state employment and training funds and programs are being coordinated with federal and local employment and training funds and programs.

Sec. 31. Minnesota Statutes 1986, section 268.872, subdivision 3, is amended to read:

Subd. 3. [DISCRETIONARY FUND; CREATION AND ALLOCATION.] The commissioner shall pay administrative aid to local service units for employment and training services according to the

formula established by rule. Seventy-five percent of the money must be allocated among local service units based on the number of work readiness assistance recipients and aid to families with dependent children caseloads of individuals not exempt from work requirements as forecast by the commissioner of human services; 25 percent must be allocated in a way that encourages full-time, private-sector job placement, program completion by public assistance recipients, and other performance characteristics. This subdivision does not apply to the administrative aid for the work readiness program. establish a discretionary employment and training fund. Money appropriated to the department for the discretionary fund must be allocated to local service units or certified employment and training service providers at the discretion of the commissioner.

In allocating money for discretionary employment and training programs, the commissioner shall give priority to certified employment and training service providers that:

(1) serve a high proportion of distressed farmers and other individuals adversely affected by economic conditions within their service delivery region;

(2) have demonstrated success in developing and placing individuals into full-time private, public, and nonprofit employment;

(3) have demonstrated knowledge of and linkages with local, state, and federal training programs; educational programs including adult basic education, AVTIs, and community colleges; and providers of support services including child care and transportation; and

(4) have demonstrated ability to use alternative funding sources to maximize available employment, training, and education funds.

No more than two percent of the money appropriated for discretionary employment and training programs may be used to reimburse the commissioner for the costs of administering discretionary employment and training programs, and no more than five percent of the money allocated to a certified employment and training service provider may be used for administrative expenses.

Sec. 32. Minnesota Statutes 1986, section 268.88, is amended to read:

268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by ~~October~~ April 15 of each year an annual plan for the subsequent calendar year. The commissioner shall notify each local service unit by ~~December~~ May 1 of each year if its plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a report on the use of wage subsidies, grant diversions, community investment programs, sliding fee day care, and other services administered under this chapter;

(7) an annual update of the community investment program plan according to standards established by the commissioner; ~~and~~

(8) a performance review of the employment and training service providers delivering employment and training services for the local service unit; and

(9) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients.

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the coordinator shall resolve their dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the coordinator until an acceptable amended plan has been submitted.

(d) For 1985, local service unit plans must be submitted by November 1, 1985 and must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies that will be used to achieve these goals;

(3) the amount proposed to be allocated to each employment and training service;

(4) the proposed employment and training services and service providers the local service unit plans to utilize; and

(5) a statement of intent regarding the establishment of either a community investment program or an employment experience program.

If the local service unit provides a statement of intent for the establishment of a community investment program under clause (5), the local service unit must submit a preliminary community investment program plan by February 1, 1986.

Sec. 33. Minnesota Statutes 1986, section 268.91, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given.

(a) "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, and parent cooperatives, and in-home child care as defined in the Minnesota plan for social services to families and children or in the child's home.

(b) "Child" means a person 14 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

(c) "Commissioner" means the commissioner of jobs and training human services.

(d) "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

(e) "County board" means the board of county commissioners in each county.

(f) "County plan" means the community social services plan required by section 256E.09.

(g) "Education program" means remedial or basic education or English as a second language instruction, completion of high school education, or completion of a general equivalency diploma. Education program may include post-secondary education leading to an undergraduate degree under the terms of subdivision 2.

(h) "Employment program" means employment of recipients defined in subdivision 4, vocational assessment, and job readiness and job search activities.

(i) "Human services board" means a board established under section 402.02; Laws 1974, chapter 293; or Laws 1976, chapter 340.

(j) "Provider" means the child care license holder or the legal nonlicensed caregiver who operates a family day care home, a group family day care home, a day care center, a nursery school, or a day nursery, or who functions in the child's home.

(k) "Training program" means job training not provided by post-secondary education institutions.

(l) "Set-aside funds" means funds reserved for recipients of aid to families with dependent children as specified in section 36.

Sec. 34. Minnesota Statutes 1986, section 268.91, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF COMMISSIONER.] (a) The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment or, training, or education programs. If funds from the higher education coordinating board child care grants program are expended, the child care fund may be used for child care costs of post-secondary education students if there are sufficient funds. The commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The commissioner shall require counties to collect and report data that the commissioner deems necessary to evaluate the effectiveness of the program in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children. The commissioner shall report to the full productivity and opportunity coordinator in each even-numbered year on the effectiveness of the program.

(b) The commissioner shall maximize the use of federal funds under the aid to families with dependent children employment special needs program in section 256.736, subdivision 8, for recipients of aid to families with dependent children who are in education,

training, job search, or other activities allowed under that program. Funds appropriated under section 268.91 shall be coordinated with the aid to families with dependent children employment special needs program to accomplish this purpose. Federal funds obtained shall be used to expand the resources in the child care sliding fee program.

Sec. 35. Minnesota Statutes 1986, section 268.91, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year ~~Consistent with the community social services planning cycle,~~ the commissioner shall notify all county and human services boards of ~~the their allocation and the procedures used for the sliding fee program.~~ Allocations must be made by July 1 of each odd-numbered year. If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties.

(b) For the purposes of this section Except for set-aside funds for priority groups as described in subdivision 3a, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of ~~human services~~.

(c) Once a quarter, the commissioner shall review the use of child care fund allocations by county. In accordance with the formula found in paragraph (b), the commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended funds from the first year of the biennium may be carried to the second year of the biennium.

Sec. 36. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3a. [SET-ASIDE FUNDS.] The commissioner shall set aside one-third of funds appropriated to be administered as follows:

(a) Set-aside funds shall be allocated among counties based on the basis of the sum of the average monthly number of caretakers receiving aid to families with dependent children under the age of 22 and the average monthly number of aid to families with dependent children cases open 24 or more consecutive months. The sum shall be

derived for each fiscal year based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate unspent set-aside funds to counties which expend their full allocation. The commissioner may allocate set-aside funds based on participation rates of priority groups in employment and training activities, if the commissioner finds that the formula distribution does not allocate funds among counties in a manner which represents voluntary participation levels.

(b) Set-aside funds shall be subject to the same sliding fee schedule and other requirements as the remainder of the sliding fee program.

(c) The county shall use the set-aside funds for persons in the priority groups in the aid to families with dependent children program defined in section 5. The county shall ensure that set-aside funds are controlled by case managers for coordination of child care funding with employment, training, and education programs for the priority groups. The county shall ensure that, through the case manager, priority caretakers are guaranteed set-aside funds for child care assistance as resources permit.

(d) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside funds are not being fully utilized, the commissioner may permit counties to use set-aside funds for recipients of aid to families with dependent children who are not members of the priority groups, as long as priority for use of the funds will continue to be given to the priority groups.

Sec. 37. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3b. [COUNTY PLAN.] (a) The commissioner shall provide counties with the necessary forms and instructions for their community social services plans, as required in section 256E.09. The forms and instructions must incorporate the information necessary to receive child care funds. For calendar years 1987 and 1988, the county agency shall submit an amendment to its approved biennial community social services plan using the forms and instructions provided by the commissioner. Beginning January 1, 1989, the biennial community social services plan must include the child care fund.

(b) The plan must include: (1) an estimate of the need for child care services for the population defined in section 256E.03, subdivision 2, paragraph (h); (2) an estimate of the number of recipients served in each of the groups defined in subdivision 4; (3) justification, if the county prioritizes among the groups defined in subdivision 4; (4) an estimate of the number of caretaker recipients of aid to families with dependent children who will participate in employment, training, and education activities that will be federally reimbursable under the aid to families with dependent children employment special

needs program; (5) the number of recipients of aid to families with dependent children who are in the priority groups defined in subdivision 3, paragraph (c); (6) documentation of the cooperative agreement with the regional service administrator as required under subdivision 3, paragraph (c); (7) descriptions of the types and availability of child care in the county; (8) documentation of any contract with another agency to deliver services under the child care fund; and (9) other information the commissioner considers necessary to administer the program.

For calendar years 1987 and 1988, the commissioner shall certify whether the plan fulfills the purposes and requirements of this section, state and federal law, and the rules of the state agency. On certifying that the plan does not do so, the commissioner shall state the reasons it does not, and the county has 30 days to submit a plan amended to comply with the requirements of the commissioner. If a county fails to resubmit a plan amended as required by the commissioner, the commissioner shall notify the county of the intention to reduce the next quarterly payment by an amount equal to five percent of the county's annual entitlement for each 30-day period during which the county fails to amend the plan as required by the commissioner.

Sec. 38. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3c. [REPORTING AND PAYMENTS.] (a) Counties shall submit on forms prescribed by the commissioner a quarterly financial and program activity report, due 20 calendar days after the end of each quarter. The financial and program activity report must include (1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by group as defined in subdivision 6; (2) a description of activities and concomitant expenditures that are federally reimbursable under the aid to families with dependent children employment special needs program; (3) a description of activities and concomitant expenditures of set-aside funds for priority groups of recipients of aid to families with dependent children; (4) information on funds encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in subdivision 3, paragraph (d); and (5) other data the commissioner considers necessary to account for the program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

(b) The commissioner shall make payments to each county in quarterly installments. The commissioner may certify an advance for the first quarter of the fiscal year. Later payments must be based on actual expenditures as reported in the quarterly financial and program activity report.

(c) The commissioner may withhold, reduce, or terminate the allocation of any county that does not meet the reporting or other requirements of this program. The commissioner shall reallocate to other counties money so reduced or terminated.

Sec. 39. Minnesota Statutes 1986, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) receive aid to families with dependent children;

(2) have household income below the eligibility levels for aid to families with dependent children; or

(3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all groups eligible for these funds, it may prioritize new applications among the groups to be served. Set-aside funds shall be prioritized by the state, and counties do not have discretion over the use of these funds.

Sec. 40. Minnesota Statutes 1986, section 268.91, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT OR TRAINING ELIGIBILITY.] (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for child care assistance.

(b) Persons eligible under this section for child care assistance for education or training must receive assistance for the length of the program or 24 months, whichever is shorter. An education or training program with demonstrated effectiveness may be approved by the commissioner of education and accredited by the appropriate agency as an eligible program including high school or an equivalent program, an English competency program, technical or vocational training, or a four-year or associate degree program participating in employment programs, training programs, or education programs are eligible for assistance from the child care fund, providing they are financially eligible under the sliding fee scale set by the commissioner in subdivision 7.

Sec. 41. Minnesota Statutes 1986, section 268.91, subdivision 6, is amended to read:

Subd. 6. [COUNTY CONTRIBUTION.] (a) In addition to payments from parents, the program must be funded by county contributions. Except for set-aside funds, counties shall contribute five from county tax sources a minimum of 15 percent of the cost of the program in the program's first year and 15 percent in the second and subsequent years. The commissioner may require by rule that a county pay the commissioner the portion of sliding fee allocations paid by the state for which the county is responsible. The county shall advance its portion of sliding fee costs, based upon allocations made by the commissioner for that county for expenditures in the succeeding month. Adjustments of any overestimate or underestimate based on actual expenditures must be made by the commissioner by adjusting the estimate for any succeeding month after subtracting federal financial participation, fees, and other recoveries. The commissioner shall recover from the county as necessary to bring county expenditures into compliance with this subdivision.

(b) The commissioner shall recover from counties any state or federal funds found to be ineligible. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

A (c) To receive funds through this program, each county shall certify to the commissioner that the county has not reduced allocations from other federal, state, and county sources, which, in the absence of child care sliding fee or wage subsidy money, would have been available for child care services.

Sec. 42. Minnesota Statutes 1986, section 268.91, subdivision 7, is amended to read:

Subd. 7. [SLIDING FEE SCALE.] The sliding fee scale shall be designed so that the cost of child care to each family is affordable. The commissioner shall take into account basic living expenses of food, housing, and transportation. In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The fee schedule must be designed to use any available tax credits and to progress smoothly from appropriated assistance to assistance through tax credits.

Sec. 43. Minnesota Statutes 1986, section 268.911, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner of human services may make grants to public or private nonprofit agencies for the planning, establishment, expansion, improvement, or operation of child care resource and referral programs and child care services according to the provisions of this section and may make grants to county boards to carry out the purposes of section 245.84.

Sec. 44. [CHILD SUPPORT INCENTIVE AWARDS; SANCTIONS.]

Subdivision 1. [INCENTIVE AWARDS.] Notwithstanding section 256.863, or any other law to the contrary for AFDC child support cases, after the target amount of \$36,704,000 for fiscal year 1987, and \$40,563,000 for fiscal year 1988, has been collected, the counties that exceed their pro rata share of the target collections amount for fiscal year 1987 and fiscal year 1988 as contained in the financial records of the commissioner of human services may retain an additional 50 percent of the nonfederal share of money collected exceeding the target amounts as child support incentive awards. The money retained shall be from the state share of collections.

Subd. 2. [SANCTIONS.] If the commissioner of human services determines on the basis of a program review that a county does not substantially meet the requirements of Title IV-D of the Social Security Act and Minnesota Statutes concerning child support enforcement, the commissioner may sanction the county by reducing the county share of collections two percentage points below the current county AFDC share as determined by section 256.863.

ARTICLE 2

Section 1. [FEDERAL AUTHORITY.]

Subdivision 1. [LEGISLATIVE AUTHORITY.] (a) The commissioner of human services shall seek from the Congress of the United States authority to modify the administration and delivery of the aid to families with dependent children program (AFDC) in Minnesota. The commissioner shall seek authority to:

(1) disregard more earned income of a recipient than currently allowed under United States Code, title 42, section 602(a)(8)(B)(ii). The purpose of this change is to provide an incentive to work and prevent recipients from experiencing a sudden loss of income after four months of employment;

(2) exclude from consideration in computing the income of an AFDC caretaker parent under the age of 18 any income of the parents of the caretaker parent, without regard to the residence of the caretaker parent. The purpose of this change is to allow a minor parent to receive financial assistance while remaining in a supportive home environment;

(3) determine the maximum value of an automobile which can be excluded as an asset under United States Code, title 42, section 602(a)(7)(B)(i). The purpose of this change is to recognize the need of AFDC recipients for reliable transportation in order to participate in work and training and become self-sufficient;

(4) disregard, in computing income, the cost of child care beyond that currently allowed under United States Code, title 42, section 602(a)(8)(A)(iii). The purpose of this change is to recognize the need of AFDC recipients for quality reliable child care in order to participate in work and training and become self-sufficient;

(5) permit a principal earner in a family receiving AFDC-UP to work more than 100 hours per month without being disqualified from the program. The purpose of this change is to recognize the financial reality of AFDC-UP families and to help the families achieve financial security before leaving the program. For the purposes of this subdivision, AFDC-UP refers to AFDC clients who are eligible for assistance because of unemployment as defined under section 256.12, subdivision 14;

(6) require that, as a condition of receiving aid to families with dependent children, minor parents of children six weeks of age and older who have not completed a high school education be required either to attend high school or to work toward a general education diploma as long as necessary child care and transportation services are available to them. Minor parents of children with special health needs are exempt from this requirement;

(7) allow the use of vendor payments for recipients who do not fulfill the conditions of clause (6); and

(8) introduce additional requirements or relax existing requirements to the extent the commissioner deems necessary to construct an AFDC program for Minnesota that increases the possibility of self-sufficiency of recipient families.

(b) In constructing and negotiating modifications under clause (a), the commissioner shall not agree to terms or conditions that infringe on recipients' entitlement to benefits or impede federal financial participation under United States Code, title 42, subchapter IV, part A. The commissioner shall not accept a block grant or lump sum amount of federal money for AFDC in Minnesota unless the sum is adjusted to protect the state against an increase in the number of recipients during a period of recession.

Subd. 2. [FEDERAL APPROVAL.] The commissioner of human services shall seek federal approval to require that, as a condition of receiving aid to families with dependent children:

(1) minor parents of children six weeks of age and older who have not completed a high school education be required either to attend high school or to work toward a general education diploma as long as necessary child care and transportation services are available to them;

(2) caretakers of children age three and over be required to seek and accept suitable employment or training as long as necessary child care, transportation, and health benefits are available to them; and

(3) minor parents not living with relatives be required to live in a group or foster home or, when the case manager determines the need for such services, to participate in a program that teaches skills in parenting and independent living, provided that the described living or counseling opportunities are available to the minor parent.

Subd. 3. [GRADUATED SANCTIONS.] The commissioner of human services shall seek federal approval to replace the sanctions under section 256.736, subdivision 4, clauses (4)(a) and (4)(d), with the following graduated sanctions:

(1) upon first caretaker refusal, 50 percent of the grant provided to the family shall be made in the form of protective or vendor payments; and

(2) upon second caretaker refusal, the entire grant provided to the family shall be made in the form of protective or vendor payments.

Subd. 4. [EDUCATION EXPENSES.] The commissioner of human services shall seek federal approval to exclude all expenses related to education when determining income for food stamp purposes.

Subd. 5. [DEMONSTRATION PROJECT.] If the commissioner determines that a demonstration project is the most expedient way to achieve the goals of subdivision 2, the commissioner shall apply to the secretary of health and human services for authorization to establish at least one demonstration project under United States Code, title 42, section 645. The commissioner shall request that, for purposes of the demonstration, the secretary waive requirements of United States Code, title 42, section 602, to the extent allowed under the Code of Federal Regulations, title 45, sections 282.14 to 282.16.

Subd. 6. [IMPLEMENTATION.] If federal approval is obtained to impose additional requirements on AFDC recipients, modifications under this section take precedence over current laws and regulations until July 1, 1988.

Sec. 2. [APPROPRIATION.]

The following money is appropriated from the general fund to the commissioner of human services: \$..... for medical assistance under article 1, section 2; \$..... for employment and training services; \$..... for case management services under article 1, section 12; and \$..... for child care services under section 268.91.

\$..... is appropriated to the executive director of the higher education coordinating board for child care under article 1, section 1.

\$..... is appropriated to the commissioner of jobs and training for the discretionary training and retraining fund under article 1, section 31.

\$..... is appropriated from the general fund to the office of full productivity and opportunity for the purpose of contracting with the department of administration under article 1, section 22."

Delete the title and insert:

"A bill for an act relating to human services; creating a child care grant program; establishing an AFDC employment and training program; coordinating administration of the programs; providing for allocation of administrative costs and use of funds for work readiness program; exempting all educational grants and loans for purposes of AFDC eligibility; designating priority groups for receipt of AFDC; establishing a pilot program for obtaining and enforcing child and medical support; amending Minnesota Statutes 1986, sections 256.01, subdivision 2; 256.73, by adding a subdivision; 256.736, subdivisions 3, 4, 6, and by adding subdivisions; 256.74, subdivision 1; 256B.06, subdivision 1; 267.02, by adding a subdivision; 267.03, subdivision 2; 268.0122, subdivision 3; 268.85, subdivision 2; 268.86, subdivisions 1, 2, and 4; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.872, subdivision 3; 268.88; 268.91, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 268.911, subdivision 1;

proposing coding for new law in Minnesota Statutes, chapters 136A and 267."

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. 1068, A bill for an act relating to retirement; transferring retirement coverage of certain employees; amending Minnesota Statutes 1986, sections 352.91, subdivision 4, and by adding a subdivision; and 356.30, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 13, delete "public employees" and insert "Minnesota state retirement system correctional employees plan"

Page 2, line 14, delete "retirement association"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Future and Technology to which was referred:

H. F. No. 1081, A bill for an act relating to education; establishing a center at the University of Minnesota; appropriating money.

Reported the same back with the following amendments:

Page 1, delete lines 6 to 14, and insert:

"Section 1. [STUDY.]

The University of Minnesota shall study the feasibility of establishing a center for alternative methods to animal testing. The overall purpose of a center would be to encourage the development of alternative methods for toxicity testing and other experimentation on animals.

Sec. 2. [POTENTIAL ACTIVITIES.]

In its study, the university shall consider the possible functions for the center to include:"

Page 2, delete section 3, and insert:

"Sec. 3. [REPORT.]

The university shall report its findings and recommendations to the appropriations and finance committees of the legislature by January 1, 1988."

Delete the title and insert:

"A bill for an act relating to education; requiring the University of Minnesota to study alternative methods for animal testing."

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

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1101, A bill for an act relating to public finance; authorizing compliance with federal tax laws to secure tax exemption for certain bonds and other obligations; authorizing the issuance of taxable bonds and other obligations; appropriating money; amending Minnesota Statutes 1986, section 16A.641, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 16A.

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. 1103, A bill for an act relating to retirement; providing benefit portability for disability benefits, survivor annuities, and survivor benefits; establishing a combined service disability benefit and a combined service survivor benefit; proposing coding for new law in Minnesota Statutes, chapter 356.

Reported the same back with the following amendments:

Page 4, line 26, delete "the method of" and after "plan" insert "is a defined benefit or formula plan and the method"

Page 4, line 32, after the period insert "If the covered retirement plan is a defined contribution or nonformula plan, the disability benefit amount for allowable service under the plan shall not be affected but the service and covered salary under the plan must be used in calculations by other covered retirement plans."

Page 7, line 27, delete "the method of" and after "plan" insert "is a defined benefit or formula plan and the method"

Page 7, line 33, after the period insert "If the covered retirement plan is a defined contribution or nonformula plan, the survivor benefit amount for allowable service under the plan shall not be affected but the service and covered salary under the plan must be used in calculations by other covered retirement plans."

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. 1109, A bill for an act relating to economic development; establishing the Minnesota council on quality and productivity and providing for its powers and duties; appropriating money.

Reported the same back with the following amendments:

Page 4, delete lines 32 and 33

Page 4, line 35, delete "\$....." and insert "\$100,000"

Page 5, after line 11, insert:

"Sec. 9. [REPEALER.]

Sections 1 to 7 are repealed July 1, 1989."

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. 1111, A bill for an act relating to juvenile court; providing that it is a *prima facie* case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; amending Minnesota Statutes 1986, section 260.125, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 35, after "person" insert ", other than a violation of section 609.713,"

Page 3, line 6, strike "609.58, subdivision 2, clause (b)" and insert "609.582, subdivision 1, clause (b) or (c)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1122, A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; paying certain claims; appropriating money; amending Minnesota Statutes 1986, sections 17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; and 223.17, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION; APPROPRIATION.] The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months; ~~and including repayment by the department of any amount appropriated from the general fund to establish the grain inspection and weighing account.~~ The commissioner shall review the fee schedule twice each year. Fee adjust-

ments are not subject to chapter 14. Payment shall be required for services rendered. If the grain is in transit, the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, the fees shall be paid by the warehouse operator, and added to the storage charges.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the state treasury for carrying out the purpose of sections 17B.01 to 17B.23. The money in the account is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23.

Sec. 2. Minnesota Statutes 1986, section 19.58, subdivision 1, is amended to read:

Subdivision 1. [ENTRY PERMIT.] No person may bring into this state any bees on comb, including nuclei, or used bee equipment without an entry permit issued by the commissioner. A person who wishes to bring any bees on comb or used bee equipment into the state shall apply for an entry permit at least 60 days before the date of entry. The 60-day requirement may be waived for a hobbyist beekeeper who intends to become a resident of Minnesota and who brings ten colonies or less into the state.

Ten days before entry, any person required to obtain an entry permit shall furnish to the commissioner a copy of a valid certificate of inspection signed by a responsible official of the state where the bees or equipment originated. The certificate must be based on either an inspection or an affidavit. No person may bring into the state any bees on comb including nuclei, combless bees, or used bee equipment from any county or parish where honey bee tracheal mites or Africanized bees have been found unless it is demonstrated to the satisfaction of the commissioner that there will be no risk of introduction either of tracheal mites or Africanized bees into the state. Bees or equipment brought into the state in violation of this subdivision are a public nuisance and may be destroyed without notice by the commissioner.

This subdivision does not apply to a common carrier transporting bees or used bee equipment from a point of origin outside of the state to a destination outside of the state.

Sec. 3. Minnesota Statutes 1986, section 32.394, subdivision 8, is amended to read:

Subd. 8. [EXPLORATORY PRELIMINARY INSPECTIONS GRADE A INSPECTION FEES.] Any A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to learn about and acquaint producers with market Grade A requirements may make a request to the commissioner for explor-

atory inspections and meetings for this purpose. Upon receipt of such request, the commissioner at a convenient time shall cause such exploratory inspections to be made and such meetings to be held as are necessary to acquaint said processor and producers with such requirements. If, after such exploratory inspections are made and such meetings are held and when in the processor's opinion the processor's field service has brought producers into compliance with said requirements, said processor wishes further inspection service, the processor shall so milk or use the Grade A label must apply on a form furnished by for Grade A inspection service from the commissioner, stating the number of farms to be inspected. Such applications shall be accompanied by a fee payable to the state treasurer in an amount of not less than \$50 and not more than \$300, which fee is to be charged for preliminary inspection prior to continuous inspection, and assessments over \$50 are to be determined by charging \$1 for each farm over 50, but shall not exceed \$300 if more than 300 farms are inspected; provided that, if the plant and farms are accepted for continuous inspection, this charge shall be made only once. If the preliminary inspection discloses that the processor is eligible for use of the Grade A label on products and before the processor so labels said products, the processor shall apply for continuous inspection on a form furnished by the commissioner and shall hold a Grade A permit. Such application shall be accompanied by a fee of not less than \$100 nor more than \$500 per plant and of not less than \$15 nor more than \$50 per farm, said fee to be paid annually. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$55 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than \$27.50 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. If The commissioner deems it necessary to more nearly shall establish fees by rule or emergency rule under chapter 14 to meet 50 percent of the cost of the service, the commissioner may annually adjust the assessments within the limits set herein.

Sec. 4. Minnesota Statutes 1986, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. [MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk, other than Grade A, who wishes to obtain market other than Grade A milk must apply for a manufacturing grade farm certification, shall make a request to inspection from the commissioner for a farm certification inspection. A processor who requests and receives a farm certification inspection shall pay a fee to the commissioner for the certification of the milk supply. A manufacturing plant that pasteurizes milk or milk by-products

must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$27.50 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one annual inspection required for certification, an additional fee of no more than \$27.50 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee shall must be set by the commissioner by rule or emergency rule under chapter 14 in an amount necessary to meet 50 percent of the cost of the service for farm certification, which fee shall not exceed 50 percent of the fees charged for Grade A permits.

Sec. 5: Minnesota Statutes 1986, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] The amount of such assessments shall be Fees are payable by the a processor on or before or marketing organization by July 1, of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid on or before July 31, following within 30 days of the due date, the service shall must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label shall must be withdrawn; provided, that such. A processor may terminate such payment and such service without loss of the Grade A label if written notice of such that intention is given prior to the due date of the payment of said an assessment and if the continuous inspection of said the plant and farms is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. When such written notice is given by the processor on or before December 31 preceding the due date, that portion of the assessment for the period January 1 through June 30, immediately following, shall be refunded to the processor If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section shall must be deposited in the state treasury and shall constitute a separate account to be known as the milk inspection service account, which is hereby created, set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and shall be in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture. There shall be appropriated addi-

tional funds to equal or exceed the amounts collected as fees under this section to support the milk inspection program.

Sec. 6. Minnesota Statutes 1986, section 41.56, subdivision 4, is amended to read:

Subd. 4. [SALE OF DEFAULTED PROPERTY.] In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which the commissioner is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within ~~three~~ five years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

Sec. 7. Minnesota Statutes 1986, section 223.17, subdivision 1, is amended to read:

Subdivision 1. [LICENSES.] An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. The types categories of grain buyers' licenses are:

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and
- (c) independent grain buyer's license.

The commissioner must provide application forms and licenses that state the restrictions and authority to purchase and store grain under the license being applied for and issued.

The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license.

Sec. 8. Minnesota Statutes 1986, section 580.031, is amended to read:

580.031 [MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead to which the provisions of chapter 583 apply if the notice is published for the first time after May 24, 1983 and prior to May 1, 1985 or after June 8, 1985, and prior to ~~May 1, 1987~~ June 30, 1989. The notice must contain the information specified in section 580.04.

At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Sec. 9. [APPROPRIATION; COUNTY AND DISTRICT AGRICULTURAL SOCIETIES.]

\$358,400 is appropriated from the general fund to the commissioner of agriculture in each of the fiscal years of the biennium ending June 30, 1989, to be used under Minnesota Statutes, section 38.02, for aid to county and district agricultural societies.

Sec. 10. [APPROPRIATION; MILK INSPECTION PROGRAM.]

\$419,300 is appropriated in fiscal year 1988 and \$391,500 in fiscal year 1989 from the general fund to the commissioner of agriculture for the milk inspection program under section 32.394.

Sec. 11. [APPROPRIATION; FARM ADVOCATE PROGRAM.]

\$419,300 is appropriated for fiscal year 1988 and \$391,500 for fiscal year 1989 from the general fund to the commissioner of agriculture for the farm advocate program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 12. [APPROPRIATION; WILD RICE RESEARCH PROGRAM.]

\$48,000 is appropriated from the general fund to the University of Minnesota agricultural experiment station for wild rice research. This appropriation remains available until June 30, 1989, and is for the following purposes:

<u>(a) for experiments on the use of fertilizers</u>	<u>\$10,000</u>
<u>(b) for experiments on the influence of rotation and residue removal on diseases, weeds, and yield</u>	<u>\$10,000</u>
<u>(c) for evaluation of the cost advantages and effects on yields of leveling and tiling</u>	<u>\$ 8,000</u>
<u>(d) to conduct controlled-site experiments into the advantages of existing and future varieties of wild rice.</u>	<u>\$20,000</u>

Sec. 13. [APPROPRIATION; PSEUDORABIES CONTROL.]

\$719,780 is appropriated from the general fund to the board of animal health, to be available until June 30, 1989, to be used for a control program for pseudorabies in swine in which the state will pay the laboratory costs for the testing of blood samples. The testing of infected herds must be performed by practicing veterinarians. The program must be coordinated by board of animal health personnel. Testing costs and laboratory fees must be paid by the board of animal health. This appropriation is in addition to other appropriations to the board of animal health for pseudorabies control. The appropriation is specifically to be used as follows:

	<u>Fiscal Year 1988</u>	<u>Fiscal Year 1989</u>
<u>Laboratory fees</u>	<u>\$359,890</u>	<u>\$359,890</u>

Sec. 14. [APPROPRIATIONS; STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. There is appropriated \$112,500 from the general fund to the state board of vocational technical education, for the fiscal year ending June 30, 1987, to provide salary and travel to hire up to 15 support staff knowledgeable in financial planning for farm operations to assist farm business management instructors with unusually heavy workloads due to demand by farmers for assistance

with mediation, obtaining credit, application for assistance programs such as interest buy-down, and in areas where bank closures may occur.

Subd. 2. There is appropriated \$775,000 for the fiscal year ending June 30, 1988, and \$1,147,500 for the fiscal year ending June 30, 1989, from the general fund to the state board of vocational technical education to be used for a farm crisis intervention project as follows:

	<u>Fiscal</u> <u>Year</u> <u>1988</u>	<u>Fiscal</u> <u>Year</u> <u>1989</u>
(1) <u>Support Staff</u>	<u>\$100,000</u>	<u>\$ 102,500</u>
<u>15 support staff for up to three months per year to be assigned to the six-area agricultural coordinator areas. The coordinator would assign and manage support staff to assist farm business management staff to provide information for financial planning and counseling.</u>		
(2) <u>New management programs</u>	<u>500,000</u>	<u>850,000</u>
<u>\$50,000 each to start farm business management and small business management programs.</u>		
(3) <u>Workshops</u>		
(a) <u>Marketing, financial management, alternative enterprise work-shops for farmers and agribusiness.</u>	<u>100,000</u>	<u>100,000</u>
(b) <u>Staff development workshop for management staff.</u>	<u>25,000</u>	<u>25,000</u>
(4) <u>Beginning farmer programs</u>	<u>50,000</u>	<u>70,000</u>
<u>\$2,500 grant to selected programs to provide an educational program for establishment in farming for beginning farmers.</u>		
TOTALS	<u>\$775,000</u>	<u>\$1,147,500"</u>

Amend the title as follows:

Page 1, line 11, delete "and" and before the period insert "; and 580.031"

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

The report was adopted.

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

H. F. No. 1145, A resolution memorializing the President and Congress of the United States to award posthumous Medals of Freedom to Andrew Goodman, Michael Schwerner, and James Chaney.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1163, A bill for an act relating to local government; authorizing cities to impose a street access charge and providing for its collection; proposing coding for new law in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, line 12, after the period insert "The ordinance shall provide for the use of the funds generated by the street access charges to be used for city street and highway capital improvement projects."

Page 1, line 15, after "to" insert "and expended for"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1193, A bill for an act relating to independent school district No. 206, Alexandria; providing for elections of the school board.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [INDEPENDENT SCHOOL DISTRICT NO. 206; ELECTIONS.]

Subdivision 1. [AT LARGE MEMBERS OR ELECTION DISTRICTS.] Independent school district No. 206, Alexandria, may elect its school board members at large or to represent election districts. The choice between election methods may be made by a majority of voters at the next general school district election.

If the members are elected at large:

(a) Each member of the board must be designated as a certain position so that subsequent elections are held for particular board positions.

(b) The notice of election for a certain position on the board must be in substantially the following form:

"Position number on the school board of independent school district No. 206 must be filled by election. A candidate may not file for more than one position."

(c) Ballots must indicate a position on the board in substantially the following form:

"For school board position number of independent school district No. 206."

(d) The names of the candidates for each seat must be rotated on the ballots to avoid any appearance of preference for incumbents, and incumbency must not be indicated on the ballot.

A newly elected school board member shall take office at the next regularly scheduled meeting of the board after receiving a certificate of election. If the school district changes from election by district to election at large or from election at large to election by district, an incumbent shall serve the entire term to which the incumbent was elected under the earlier system. If the school district changes from election by district to election at large, an incumbent must be assigned by lot to the numbered positions.

Subd. 2. [ALTERNATIVE ELECTION DATE.] If independent school district No. 206, Alexandria, chooses to hold its elections on the alternative date in Minnesota Statutes, section 123.32, subdivision 28, the district may also use the primary election date and candidate filing dates set in the Minnesota election law for municipalities holding elections on the first Tuesday after the first Monday in November.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after the clerk of the school board of independent school district No. 206 complies with Minnesota Statutes, section 645.021, subdivision 3.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1201, A bill for an act relating to agriculture; appropriating money to the commissioner of agriculture for use in the marketing and promotion of peat.

Reported the same back with the recommendation that 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. 1204, A bill for an act relating to Hennepin county; providing for the management of county health facilities; permitting the county board to hold closed meetings on certain medical center business; permitting certain data to be treated as trade secret information; amending Minnesota Statutes 1986, section 383B.217, subdivision 7.

Reported the same back with the following amendments:

Page 1, line 19, delete the colon

Page 1, delete lines 20 to 22

Page 1, line 23, delete everything before "medical" and insert "specific matters involving contracts or marketing activity in cases where the"

Page 1, line 24, delete "which"

Page 1, line 27, delete "financial" and insert "competitive"

Page 2, line 9, after "The" insert "purpose,"

Page 2, line 22, delete "may be" and insert "are"

Page 2, line 25, delete everything after the period

Page 2, delete lines 26 to 36

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. 1208, A bill for an act relating to corrections; appropriating money for the west central regional juvenile center.

Reported the same back with the recommendation that 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. 1209, A bill for an act relating to public nuisances; defining a nuisance; providing for the enjoinder of nuisances; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [617.80] [DEFINITIONS.]

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

Subd. 2. [BUILDING.] "Building" means a structure suitable for human shelter, a commercial structure that is maintained for business activities that involve human occupation, or any portion of such structures.

Subd. 3. [MOVABLE PROPERTY.] "Movable property" means furniture and fixtures.

Subd. 4. [PROSTITUTION.] "Prostitution" or "prostitution related offenses" means the conduct defined in sections 609.321 to 609.324.

Subd. 5. [GAMBLING.] "Gambling" or "gambling related offenses" means the conduct described in sections 609.75 to 609.762.

Subd. 6. [DISORDERLY HOUSE.] "Disorderly house" has the meaning assigned to it in section 609.33.

Subd. 7. [OWNER.] "Owner" for purposes of sections 1 to 8 means the person in whose name the building or affected portion is recorded with the county auditor for taxation purposes.

Subd. 8. [INTERESTED PARTY.] "Interested party" for purposes of sections 1 to 8 means any lessee, tenant, or occupant of a building or affected portion of a building and any known agent of an owner, lessee, tenant, or occupant.

Sec. 2. [617.81] [NUISANCE; ACTS CONSTITUTING; INJUNCTION; NOTICE.]

Subdivision 1. [INJUNCTION.] In order to obtain a temporary injunction under section 3 or a permanent injunction or order of abatement under section 4, the provisions of sections 1 to 8 must be followed.

Subd. 2. [ACTS CONSTITUTING A NUISANCE.] For purposes of sections 1 to 8 a public nuisance exists upon proof of any of the following:

(1) three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for acts of prostitution or prostitution related offenses committed within the building;

(2) three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for acts of gambling or gambling related offenses committed within the building; or

(3) two or more convictions within the previous two years for keeping or permitting a disorderly house within the building.

Subd. 3. [NOTICE.] Notice of a conviction described in subdivision 2 must be mailed by the court administrator to the owner of the building where the offense was committed and all other interested parties and must be filed with the county recorder's office. This notice is considered sufficient to inform all interested parties that the building or a portion of it is being used for purposes constituting a public nuisance.

Sec. 3. [617.82] [TEMPORARY ORDER.]

Whenever a city attorney, county attorney, or the attorney general has cause to believe that a nuisance described in section 2, subdivision 2, exists within the jurisdiction the attorney serves, that

attorney may by verified petition seek a temporary injunction in district court in the county in which the alleged public nuisance exists. No temporary injunction may be issued without a prior show cause notice of hearing to the respondents named in the petition and an opportunity for the respondents to be heard. Upon proof of a nuisance described in section 2, subdivision 2, the court shall issue a temporary injunction. Any temporary injunction issued must describe the conduct to be enjoined.

Sec. 4. [617.83] [INJUNCTION; ORDER OF ABATEMENT.]

Upon proof of a nuisance described in section 2, subdivision 2, the court shall issue a permanent injunction and enter an order of abatement. The permanent injunction must describe the conduct permanently enjoined. The order of abatement must direct the closing of the building or a portion of it for one year, except as otherwise provided in section 5 or 6, unless sooner released pursuant to section 8. Before an abatement order is enforced against a building or portion of it, the owner must be served with the abatement order and a notice of the right to file a motion under section 6 in the same manner that a summons is served under the rules of civil procedure. A copy of the abatement order shall also be posted in a conspicuous place on the building or affected portion.

Sec. 5. [617.84] [MOVABLE PROPERTY.]

The order of abatement may direct the removal of movable property used in conducting or maintaining the nuisance and direct the sale of property belonging to a respondent who was notified or appeared. The sale shall be conducted pursuant to the provisions of chapter 550 on the sale of property on execution. A person appointed by the court as receiver of the building may use a building or portion of it which is the subject of an abatement order in a manner approved by the court. Costs of the sale on execution, moving and storage fees, and any receivership must be paid out of the receipts from the sale of the movable property or any rents collected during the receivership. The balance from the sale of movable property must be paid to the owner of the property. The balance from any rents collected during any receivership shall be paid to the treasury of the unit of government which brought the abatement action.

Sec. 6. [617.85] [NUISANCE; MOTION TO CANCEL LEASE.]

Where an abatement of a nuisance is sought and the circumstances that are the basis for the requested abatement involved the acts of a commercial or residential tenant or lessee of part or all of a building, the owner of the building that is subject to the abatement proceeding may file before the court that has jurisdiction over the abatement proceeding a motion to cancel the lease or otherwise secure restitution of the premises from the tenant or lessee who has maintained or conducted the nuisance. In addition to the grounds

provided in chapter 566, the maintaining or conducting of a nuisance as defined in section 2, subdivision 2, by a tenant or lessee, is an additional ground authorized by law for seeking the cancellation of a lease or the restitution of the premises. It is no defense to a motion under this section by the owner that the lease or other agreement controlling the tenancy or leasehold does not provide for eviction or cancellation of the lease upon the ground provided in this section.

Upon a finding by the court that the tenant or lessee has maintained or conducted a nuisance in any portion of the building under the control of the tenant or lessee, the court shall order cancellation of the lease or tenancy and grant restitution of the premises to the owner. The court must not order abatement of the premises if the court:

(a) upon the motion of the building owner cancels a lease or tenancy and grants restitution of that portion of the premises to the owner; and

(b) further finds that the acts constituting the nuisance as defined in section 2, subdivision 2, were committed in a portion of the building under the control of the tenant or lessee whose lease or tenancy has been cancelled pursuant to this section.

Sec. 7. [617.86] [CONTEMPT.]

Whoever violates a temporary injunction, permanent injunction, or abatement order granted under sections 1 to 8 may be adjudged in contempt of court.

Sec. 8. [617.87] [RELEASE OF PROPERTY.]

If, after an order of abatement has been entered, the owner appears and pays the costs of the action and files a bond in an amount determined by the court, but not to exceed \$50,000, conditioned that the owner will immediately abate the nuisance for a period of one year, the court may, if satisfied of the owner's good faith, order the release of the building or portion of it which is subject to the order of abatement. If the premises are released, for each day during the term of the bond that the owner knowingly permits any part of the premises to be used for any activity which was the basis of the abatement order, the owner shall forfeit \$1,000 under the bond. Forfeiture under the bond does not relieve the owner from prosecution for contempt. Release of the property pursuant to this section does not release it from an injunction issued under section 4 or any other judgment, penalty, lien, or liability to which it may be subject by law.

Sec. 9. [REPEALER.]

Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41 are repealed."

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. 1212, A bill for an act relating to health; establishing the Minnesota institute for health research; creating a health research trust fund with cigarette and tobacco products taxes; prescribing a floor stocks tax on cigarettes and tobacco products distributors; amending Minnesota Statutes 1986, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, subdivisions 1, 2, and 9; proposing coding for new law as Minnesota Statutes, chapter 152A; proposing coding for new law in Minnesota Statutes, chapter 297.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [256.936] [FAMILY HEALTH INSURANCE PROGRAM.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to assist families to achieve self-sufficiency by making available health insurance on a sliding fee basis. The commissioner of human services shall manage the program and seek to maximize use of available federal and state funds to establish the broadest program possible within the appropriation available.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms shall have the meanings given them:

(a) "Families" means a child or children under age 18 and their biological or adoptive parents or stepparents who reside with them.

(b) "Eligible persons" means the following persons who reside in families with gross incomes less than 200 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured:

(1) pregnant women;

(2) families who have become ineligible for medical assistance within the last six months following the extensions allowed under section 256B.062; and

(3) children under 18 in families that have at least one child under six.

(c) "Covered services" means comprehensive health maintenance services as specified in section 62D.02, subdivision 7, and dental care.

(d) "Commissioner" means the commissioner of human services.

(e) "Health plan corporation" means a health insurer or health maintenance organization licensed under chapter 62A, 62C, or 62D.

Subd. 3. [COMMISSIONER'S DUTIES.] The commissioner, with the advice and assistance of the commissioners of health and commerce, shall select a health plan corporation or corporations through a process of competitive bidding and negotiation. The health plan corporations shall provide or arrange to provide covered services to eligible persons. The commissioner shall select health plan corporations regulated under chapter 62A, 62C, or 62D who can promote health care provider efficiencies while preserving access and quality care. In addition, the commissioner is required to:

(1) ensure that all plans of coverage provide at least the covered services;

(2) assure access to existing public and nonprofit community health clinics if they are available in the service area and they agree to accept rates and conditions comparable to those agreed to by other participating providers for similar services;

(3) provide eligible persons with the opportunity to choose among all health plans under contract to the commissioner in the designated service area, to change plans without penalty within the initial 30 days, and to participate in an annual open enrollment period of 30 days;

(4) arrange to subsidize the contribution required of eligible persons who can purchase comparable coverage through an employer sponsored plan, if this would be less expensive;

(5) assure continuity of care for eligible persons who may experience a change in income and become eligible for medical assistance;

(6) establish premiums for enrollees covered under this program; and

(7) guarantee payment for the first prenatal care visit for program applicants, even if the applicant is later determined to be ineligible.

Subd. 4. [HEALTH PLAN CORPORATION DUTIES.] Health plan corporations that contract with the commissioner under this section must agree to:

(1) provide or arrange to provide, at a minimum, the covered services to all persons enrolled in the plan;

(2) ensure that medical and social risk assessments are completed for all enrolled pregnant women and that they receive risk appropriate care; and

(3) comply with other contractual terms and conditions established by the commissioner.

Subd. 5. [SLIDING FEE SCHEDULE.] Eligible persons shall contribute a specified percentage of the health plan premium not to exceed ten percent of their gross family income. For the first year of implementation, the sliding fee schedule must be as follows:

<u>Gross Income as a Percentage of the Federal Poverty Guideline</u>	<u>Enrollee Contribution</u>
<u>Below 125 percent</u>	<u>5 percent</u>
<u>126 to 150 percent</u>	<u>10 percent</u>
<u>151 to 170 percent</u>	<u>30 percent</u>
<u>171 to 185 percent</u>	<u>50 percent</u>
<u>186 to 199 percent</u>	<u>70 percent</u>

The commissioner may review this fee schedule and modify it in rule for future years. Enrollees may not be required to pay any deductibles or coinsurance outside the sliding fee schedule, except for copayments allowed by the commissioner to control inappropriate utilization.

Subd. 6. [FUNDING; ALLOCATION.] (a) The commissioner must make a quarterly assessment of the expected expenditures for the program and the appropriation available.

To the extent possible, the commissioner shall allocate funds so that there is a reasonable relationship between enrollees in each county and the number of eligible persons in each county. Based on this assessment, the commissioner may limit enrollments in certain counties or all counties if the appropriations are not sufficient.

(b) If sufficient funds are not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

Subd. 7. [ADMINISTRATION AND MARKETING.] The commissioner shall establish an office for the state administration of this program. A toll-free telephone number must be used to provide information and to provide access to the program. The commissioner shall establish a process for efficient orderly enrollment. Every six months, the commissioner shall make a redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program. Applications and other information must be available in county social services offices. The commissioner shall make applications and other information available to organizations serving potentially eligible persons.

Subd. 8. [SUBROGATION.] Enrollees shall contract for and receive coverage for a period of no less than six months unless they become insured through some other plan of coverage. Notwithstanding any other law to the contrary, benefits under the family health insurance program are secondary to any other plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall establish procedures for identifying eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance and for notifying the health plan corporation with whom the persons are enrolled.

Subd. 9. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules necessary to implement this section.

Subd. 10. [SPECIAL STUDY.] The commissioner shall report to the legislature by January 15, 1989, with recommendations for improving the program, evidence of state savings as a result of the program, and recommendations for a formal evaluation.

Sec. 2. Minnesota Statutes 1986, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) if born and living with the woman; or

(6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(7) who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(8) who is under 21 years of age and in need of medical care that neither the person nor the person's relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or

(10) who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(11) who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the rules of the state agency; and

(12) who alone, or together with the person's spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's

needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(13) who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(14) who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133 $\frac{1}{3}$ of the AFDC payment standard, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the rules of the state agency. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Number 94-566, section 503. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(15) who has continuing monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human

services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or receivable by the person or the person's spouse from automobile accident coverage and private health care coverage to the costs of medical care for the person, the spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 3. Minnesota Statutes 1986, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~19.5 20.5 mills minus the tax, not more than eight mills,~~ imposed by United States Code, title 26, section 5701, as amended, on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~39.8 41 mills minus the tax, not more than 16.8 mills,~~ imposed by United States Code, title 26, section 5701, as amended, on each such cigarette.

Sec. 4. Minnesota Statutes 1986, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] ~~(a) Except as provided in paragraph (b),~~ The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~two 1.25~~ percent from the face amount of the stamps for the first ~~\$1,000,000~~ \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~1.25 0.75~~ percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person.

~~(b) If the tax exceeds 12.5 mills a cigarette, the discount is 1.5 percent from the face amount of the stamps for the first \$1,000,000 of the stamps purchased in a fiscal year and one percent for additional stamps purchased during the fiscal year.~~

Sec. 5. Minnesota Statutes 1986, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in the state treasury and credited as follows:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a Minnesota resources fund for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16; ~~provided that, if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16;~~

(3) the revenue produced by ~~one-half mill~~ 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and ~~one mill~~ five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund; ~~provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund;~~

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 6. Minnesota Statutes 1986, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of ~~25~~ 35 percent of the wholesale sales price of such tobacco products except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject

to the same rate of tax imposed on cigarettes weighing not more than three pounds per thousand subject to the discount provided in section 297.35, subdivision 1. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 7. Minnesota Statutes 1986, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of ~~25~~ 35 percent of the cost of such tobacco products, except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes weighing not more than three pounds per thousand.

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. not more than 50 cigars;
2. not more than ten oz. snuff or snuff powder;
3. not more than one lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 8. [297.325] [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES AND LITTLE CIGARS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of cigarettes and little cigars, on the cigarettes and little cigars in the person's possession or under the person's control at 12:01 a.m. on July 1, 1987. The tax is imposed at the following rates, subject to the discount in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand and little cigars, nine mills on each cigarette and little cigar;

(2) on cigarettes weighing more than three pounds a thousand, 18 mills on each cigarette.

Each distributor, by July 20, 1987, shall file a report with the commissioner, in the form the commissioner prescribes, showing the

cigarettes and little cigars on hand at 12:01 a.m. on July 1, 1987, and the amount of tax due on them. The tax imposed by this section less the discount provided in section 297.03, subdivision 5, is due and payable by August 20, 1987, and after that date bears interest at the rate of one percent a month.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate of ten percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on July 1, 1987. Each distributor, by July 20, 1987, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1987, and the amount of tax due on them. The tax imposed by this section less the discount provided in section 297.35, subdivision 1, is due and payable by August 20, 1987, and after that date bears interest at the rate of one percent a month.

Sec. 9. [FEASIBILITY STUDY.]

The commissioner of health shall study the feasibility of a Minnesota institute for health research. The commissioner shall consider the following factors: clinical and community resources now existing in the state, methodology for the development of a health research institute, and components toward which the institute will direct its resources. The commissioner shall report to the legislature by January 1, 1989.

Sec. 10. [APPROPRIATION.]

\$..... is appropriated from the public health fund to the commissioner of health for the feasibility study required under section 9.

Sec. 11. [APPROPRIATION.]

\$..... is appropriated from the public health fund to the commissioner of human services to implement the provisions of section 1.

Sec. 12. [EFFECTIVE DATE.]

Section 1, subdivision 9, is effective the day following enactment for purposes of promulgating rules to implement the provisions of section 1. Section 1, subdivisions 1 to 8 and 10, are effective upon adoption of the rules. Sections 2 to 11 are effective July 1, 1987."

Amend the title as follows:

"A bill for an act relating to health; creating a program of health insurance for certain families; creating a family health insurance program fund; increasing cigarette and tobacco products taxes;

raising the income standard for families for medical assistance; prescribing a floor stocks tax on cigarettes and tobacco products distributors; requiring a study of the feasibility of an institute for health research; appropriating money; amending Minnesota Statutes 1986, sections 256B.06, subdivision 1; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 297.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1218, A bill for an act relating to the Minnesota humanities commission; requiring it to establish a humanities resource center; appropriating money; amending Minnesota Statutes 1986, section 138.91, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 1230, A bill for an act relating to insurance; clarifying the authority of school districts to self-insure for property and casualty coverage; amending Minnesota Statutes 1986, section 471.98, subdivision 2.

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1250, A bill for an act relating to employees; providing for a wage protection program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1260, A bill for an act relating to the Minneapolis park and recreation board; permitting the establishment of a park board personnel system; requiring the park board to adopt current Minneapolis civil service commission provisions; providing employee protections.

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. 1263, A bill for an act relating to the administration of state property; extending the period for which the commissioner of administration may lease state property; amending Minnesota Statutes 1986, section 16B.24, subdivision 5.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1277, A bill for an act relating to transportation; providing for state park road account funds to be used for lake access roads; amending Minnesota Statutes 1986, section 162.06, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 24, delete everything after "contrary" and insert a comma

Page 1, delete line 25

Page 2, line 1, delete "screening board."

Page 2, line 2, before "roads" insert "county"

Page 2, line 3, delete "and that may not" and insert ". Roads described in clause (2) are not required to"

Page 2, line 3, delete "road" and insert "highway"

Page 2, line 10, delete the new language

Page 2, line 16, after the period insert "Before requesting a county to do work on a county road that provides immediate access to a public lake, the commissioner of natural resources shall obtain a written comment on the project from the county engineer of the county requested to undertake the project."

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. 1297; A bill for an act relating to the uniform commercial code; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1308, A bill for an act relating to transportation; requiring the licensing of limousine services by the registrar of motor vehicles; providing for conditions of licensure and operation of limousines; requiring bonds; providing penalties; amending Minnesota Statutes 1986, sections 169.01, subdivision 50; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.011, is amended by adding a subdivision to read:

Subd. 35. [LIMOUSINE.] "Limousine" means a passenger automobile for hire, other than a taxicab or van, that is regularly engaged in the business of transporting persons and that has a rear seating capacity of not more than nine passengers.

Sec. 2. [168.1261] [LIMOUSINE; LICENSE PLATES.]

Subdivision 1. [UNIQUE REGISTRATION CATEGORY.] A unique vehicle registration category is established for limousines as defined in section 1.

Subd. 2. [LICENSE PLATES.] The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers. The applicant must provide the registrar with proof that a passenger tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine. Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect. The certificate must include the name of the insurance company and the number of the insurance policy.

Sec. 3. Minnesota Statutes 1986, section 169.71, subdivision 4, is amended to read:

Subd. 4. No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(a) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(b) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(c) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(d) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

This subdivision does not apply to glazing materials which:

(a) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(b) ~~were~~ are required to satisfy prescription needs of the driver of the vehicle ~~and if the driver is in possession of such the~~ prescription;

(c) ~~were~~ are applied to:

(1) the rear windows of a pickup truck as defined in section 168.011, subdivision 29; ~~or~~;

(2) to the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28; ~~or~~;

(3) to the side and rear windows of ~~any a~~ vehicle used to transport human remains by a funeral establishments establishment holding a permit under the provisions of section 149.08; ~~or~~

(4) to the side and rear windows of a limousine as defined in section 1."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing the issuance of limousine license plates; allowing limousines to have tinted windows; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 168."

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. 1312, A bill for an act relating to peace officers; requiring licensure as a prerequisite to exercising the authority of a peace officer; prohibiting persons from misrepresenting themselves as peace officers or part-time peace officers; prescribing penalties; amending Minnesota Statutes 1986, section 626.84; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.98, is amended by adding a subdivision to read:

Subd. 1a. [VEHICLE STOPS.] Except as otherwise permitted under sections 221.221 and 299D.06, only a person who is licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to 626.855 and section 6 may use a motor vehicle marked under subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2.

Sec. 2. Minnesota Statutes 1986, section 169.98, is amended by adding a subdivision to read:

Subd. 1b. [OPERATION OF MARKED VEHICLES.] Except as otherwise permitted under sections 221.221 and 299D.06, a motor vehicle marked under subdivision 1 may only be operated by a person licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to 626.855 and section 6. This prohibition does not apply to the following:

(1) a marked vehicle that is operated for maintenance purposes only;

(2) a marked vehicle that is operated during a skills course approved by the peace officers standards and training board;

(3) a marked vehicle that is operated to transport prisoners or equipment; or

(4) a marked vehicle that is operated by a reserve officer to and from a location where the officer provides supplementary assistance authorized under section 626.84, subdivision 1, paragraph (g).

Sec. 3. Minnesota Statutes 1986, section 367.41, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any general or local law or charter to the contrary, ~~any~~ a constable employed on or after March 23, 1982, by ~~any~~ a political subdivision of the state of Minnesota ~~shall~~ is not be eligible for permanent appointment without being licensed by the Minnesota board of peace officer standards and training ~~pursuant to under~~ section 626.8463, ~~clauses (a) to (e).~~

Sec. 4. Minnesota Statutes 1986, section 626.84, is amended to read:

626.84 [DEFINITIONS AND SCOPE.]

Subdivision 1. [DEFINITIONS.] For the purposes of sections 626.84 to 626.855 and section 6, the following terms ~~shall~~ have the meanings given them:

(a) "Board" means the ~~Minnesota~~ board of peace officer standards and training;

(b) "Director" means the executive director of the board;

(c) "Peace officer" means an employee of a political subdivision or state law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and state conservation officers.

(d) "Constable" shall have has the meaning assigned to it in section 367.40.

(e) "Deputy constable" shall have has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g).

(g) "Reserve peace officer" means an individual whose services are utilized by a law enforcement agency ~~for purposes including, but not limited to, providing to provide~~ supplementary assistance at special events, traffic or crowd control, ~~or~~ and administrative or clerical assistance; ~~provided that the individual's~~ A reserve officer's duties do not include enforcement of the general criminal laws of the state ~~unless accompanied by a licensed peace officer; further provided that the individual, and the officer does not have full powers of arrest or authorization to carry a firearm on duty. The term shall apply even though the individual receives no compensation and irrespective of the number of hours worked by, or the title conferred upon, the individual by any law enforcement agency.~~

(h) "Law enforcement agency" means a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

Subd. 2. [SCOPE.] Notwithstanding sections 12.03, subdivision 4, 12.25, or any other law to the contrary, no individual employed or acting as an agent of any political subdivision shall be authorized to carry a firearm when on duty unless the individual has been licensed pursuant to under sections 626.84 to 626.855 and section 6. Nothing herein shall be construed as requiring licensure of a security guard as that term is defined in section 626.88, subdivision 1, clause (c).

Sec. 5. [626.862] [POWERS OF LAW ENFORCEMENT OFFICERS.]

Unless specifically authorized by another law, only a person licensed by the board as a peace officer, constable, or part-time peace officer may exercise the powers, duties, and responsibilities of a peace officer, constable, or part-time peace officer as defined in section 626.84, subdivision 1. A person licensed as a peace officer, constable, or part-time peace officer under this chapter is entitled to the rights, privileges, and protections granted by law to persons exercising authority reserved for peace officers, constables, or part-time peace officers as defined by sections 626.84 to 626.855 and section 6. Nothing in this section is intended to expand the powers of a part-time peace officer.

Sec. 6. [626.863] [UNAUTHORIZED PRACTICE.]

(a) A person who is not a licensed peace officer, constable, or part-time peace officer is guilty of a misdemeanor if the person: (1) makes a representation of being a peace officer, constable, or part-time peace officer, or (2) performs or attempts to perform an act, duty, or responsibility reserved by law for licensed peace officers, constables, and part-time peace officers.

(b) The board shall designate the appropriate law enforcement agency to investigate violations of this section. The attorney general shall prosecute violations of this section."

Delete the title and insert:

"A bill for an act relating to peace officers; requiring licensure as a prerequisite to exercising the authority of a peace officer unless otherwise authorized by law; prohibiting persons from misrepresenting themselves as peace officers or part-time peace officers; prescribing penalties; amending Minnesota Statutes 1986, sections 169.98, by adding subdivisions; 367.41, subdivision 1; and 626.84; proposing coding for new law in Minnesota Statutes, chapter 626."

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. 1314, A bill for an act relating to courts; conforming fees for the filing of an unlawful detainer action in Hennepin county with other civil fees and unlawful detainer fees collected throughout the state; changing Hennepin county conciliation court filing and counterclaim fees; amending Minnesota Statutes 1986, sections 488A.03, subdivision 11; and 488A.14, subdivisions 1 and 5.

Reported the same back with the following amendments:

Page 1, line 20, reinstate everything after the period

Page 1, line 21, reinstate everything before the period

Page 2, after line 28, insert:

“(5) Upon the effective date of any \$2 increase in the expired meter fine schedule which is enacted on or after the effective date of section 1, the amount payable to the court administrator shall be increased by \$1 for each expired meter violation disposed of in a violations bureau.”

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. 1319, A bill for an act relating to state government; authorizing the use of certain mechanical lifting devices in public buildings; amending Minnesota Statutes 1986, section 16B.61, subdivision 5.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1325, A bill for an act relating to motor vehicles; permitting seven characters on personalized license plates; amending Minnesota Statutes 1986, section 168.12, subdivision 2a.

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

The report was adopted.

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

H. F. No. 1327, A bill for an act relating to elections; specifying the time for precinct caucuses; amending Minnesota Statutes 1986, section 202A.14, subdivision 1.

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. 1335, A bill for an act relating to state government; creating the council on Martin Luther King, Jr., holidays and providing for the council's powers and duties; proposing coding for new law as Minnesota Statutes, chapter 44B.

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. 1348, A bill for an act relating to retirement; public employees retirement association; authorizing coverage for employees of the St. Paul Ramsey Medical Center commission; amending Minnesota Statutes 1986, section 246A.12, subdivisions 5, 6, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 24, after "employment" insert "or within 30 days of final enactment"

Page 2, after line 14, insert:

"Sec. 4. Minnesota Statutes 1986, section 246A.12, is amended by adding a subdivision to read:

Subd. 6a. Persons employed by the hospital subsidiary corporation may elect to terminate their participation in the public employees retirement association established by chapter 353 prior to August 1, 1988."

Amend the title as follows:

Page 1, line 6, delete "a subdivision" and insert "subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1351, A bill for an act relating to natural resources; authorizing the taking of elk and amending related laws; authorizing compensation for certain crop damage caused by elk; appropriating money; amending Minnesota Statutes 1986, sections 97A.421, subdivision 6; 97A.431; 97A.465, subdivisions 1 and 3; 97A.471,

subdivision 3; 97A.475, subdivision 2; 97A.525, subdivision 1; 97A.535; and 97B.201; proposing coding for new law in Minnesota Statutes, chapters 3 and 97B.

Reported the same back with the following amendments:

Page 2, line 27, after "agriculture" insert ", in cooperation with the commissioner of the department of natural resources,"

Page 2, line 29, after "commissioner" insert "of agriculture"

Page 2, line 34, delete "may" and insert "must"

Page 3, after line 5, insert:

"Sec. 2. [ELK MANAGEMENT PLAN.]

Before authorizing a hunting season on elk, the commissioner of natural resources must adopt an elk management plan that:

- (1) recognizes the value and uniqueness of elk;
- (2) provides for integrated management of an elk population in harmony with the environment;
- (3) affords optimum recreational opportunities; and
- (4) restricts elk to nonagricultural land in the state."

Page 7, line 4, delete "Sections 1 to 11 are" and insert "Section 1 is"

Page 7, after line 7, insert:

"Sections 3 to 12 are effective upon adoption of the elk management plan required in section 2."

Renumber the sections in sequence

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. 1352, A bill for an act relating to appropriations; providing funding for the establishment of a community-based juvenile residential correctional facility to serve American Indian juveniles in Hennepin county.

Reported the same back with the following amendments:

Page 1, line 9, delete the second "the" and insert "Hennepin county to be used by the Hennepin county department of community services"

Page 1, line 10, delete "commissioner of corrections"

Page 1, line 14, delete everything after "juveniles"

Page 1, line 15, delete everything before "who"

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. 1376, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

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

The report was adopted.

Reding from the Committee on Future and Technology to which was referred:

H. F. No. 1380, A bill for an act relating to state government; appropriating money to fund a nonprofit institute for invention and innovation; proposing coding for new law in Minnesota Statutes, chapter 138.

Reported the same back with the following amendments:

Page 2, line 6, delete "\$2,200,000" and insert "\$....."

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. 1395, A bill for an act relating to children; creating an office for children in the state planning agency; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116K.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [116K.51] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 5, the following terms have the meanings given them.

Subd. 2. [CHILDREN.] "Children" means persons under 19 years of age.

Subd. 3. [DIRECTOR.] "Director" means the director of the state planning agency.

Sec. 2. [116K.52] [OFFICE FOR CHILDREN.]

Subdivision 1. [CREATION OF AN OFFICE FOR CHILDREN.] An office for children is created in the state planning agency to coordinate policies, programs, and services for children among state agencies.

Subd. 2. [AGENCIES AFFECTED.] The following state agencies have significant involvement with children and shall cooperate with the director in carrying out the duties in sections 3 and 4: corrections, education, health, human services, jobs and training, and public safety. The director may also request assistance from other agencies to carry out the duties of section 3. The director shall consult on a regular basis with the state council for the handicapped, the council on black Minnesotans, the Spanish-speaking affairs council, the Asian-Pacific Minnesotans council, the Indian affairs council, the council on youth, the council on children, youth and families, and other appropriate councils and commissions on policies affecting children.

Sec. 3. [116K.53] [RESPONSIBILITIES.]

The director shall:

(1) review the policies, programs, services, and related funding provided on behalf of children by state government to determine areas where coordination is needed to eliminate gaps, overlaps, or duplication;

(2) convene groups of state agency personnel to design solutions to identified problems;

(3) consult with groups outside of state government on specific issues related to children;

(4) review state agency rules and comment when needed on the effect on children;

(5) review state agency legislation and budgets as they affect children;

(6) collect and publish data on policies, programs, services, and funding affecting Minnesota children for use by policymakers in the public and private sector; and

(7) continually assess options and alternative models for coordination of policies, programs, and services for Minnesota children.

Sec. 4. [116K.54] [REPORTS.]

The director shall report to the legislature on January 15, 1989, and at least every five years after that on the status of programs, policies, and services for children in Minnesota. The report shall include areas such as child abuse and neglect, child care, criminal justice, drug abuse prevention and treatment, education, economic status, health, housing, special problems of minority children, and teenage pregnancy. The director shall publish updated information as new data becomes available.

Sec. 5. [116K.55] [STAFF.]

The state planning agency's complement shall be increased by one full-time equivalency to carry out the duties of the office for children beginning with the 1988 fiscal year.

Sec. 6. [APPROPRIATION.]

\$..... is appropriated for fiscal year 1988 and \$..... is appropriated for fiscal year 1989 from the general fund to the director of the state planning agency for the purposes of the office for children. The unencumbered balance remaining in the first year does not cancel but is available for the second year."

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1397, A bill for an act relating to transportation; providing that private carriers in the construction industry comply with certain rules regarding drivers and vehicles; prescribing certain lease agreements; amending Minnesota Statutes 1986, sections 221.025; and 221.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221.

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

The report was adopted.

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

H. F. No. 1407, A bill for an act relating to environment; establishing a siting process for a low-level radioactive waste facility;

providing for volunteer sites and an alternative site selection process; establishing a siting board; appropriating money; amending Minnesota Statutes 1986, sections 116C.832, subdivision 1, and by adding subdivisions; 116C.834, subdivision 1; and 116C.842, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reported the same back with the recommendation that 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. 1409, A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1986, section 97A.095, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 12, after "ten" insert "local".

Page 1, line 22, after "thrust" insert "unless otherwise restricted"

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. 1413, A bill for an act relating to the city of Redwood Falls; authorizing an economic development authority to construct and furnish buildings; authorizing the authority to issue general obligation bonds subject to a reverse referendum; authorizing the establishment of certain economic development districts.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PORT AUTHORITY.]

The city of Redwood Falls may, by adoption of an enabling resolution in compliance with the procedural requirements of section 3, establish a port authority commission that, subject to section 2, has the same powers as a port authority established under Minnesota Statutes, section 458.09, or other law, and a housing and redevelopment authority established under Minnesota Statutes, chapter 462, or other law, and is an agency that may administer one or more municipal development districts under Minnesota Statutes, section 472A.10. The port authority commission may exercise any of

these powers within industrial development districts or within other property under the jurisdiction of the commission. The port authority commission may enter into agreements with nonprofit organizations or corporations, limited to joint venture and limited partnership agreements, in order to carry out its purposes. If the city establishes a port authority commission under this section, the city shall exercise all the powers in dealing with a port authority that are granted to a city by Minnesota Statutes, chapter 458, and all powers in dealing with a housing and redevelopment authority that are granted to a city by Minnesota Statutes, chapter 462, or other law.

Sec. 2. [LIMITATION OF POWERS.]

Subdivision 1. [IN THIS SECTION.] The enabling resolution may impose the limits listed in this section on the actions of the port authority.

Subd. 2. [NOT USE SPECIFIED POWERS.] The enabling resolution may require that the port authority must not use specified powers contained in Minnesota Statutes, chapters 458 and 462, or that the port authority must not use powers without the prior approval of the city council.

Subd. 3. [TRANSFER RESERVES.] The enabling resolution may require the port authority to transfer a portion of the reserves generated by activities of the port authority that the city council determines is not necessary for the successful operation of the port authority, to the city general fund, to be used for any general purpose of the city. Reserves previously pledged by the port authority must not be transferred.

Subd. 4. [BOND APPROVAL.] The enabling resolution may require that the sale of bonds or obligations other than general obligation tax supported bonds or obligations issued by the port authority be approved by the city council before issuance.

Subd. 5. [BUDGET PROCESS.] The enabling resolution may require that the port authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor.

Subd. 6. [LEVY APPROVAL.] The enabling resolution may require that the port authority must not levy a tax for its benefit without approval of the city council.

Subd. 7. [CONSISTENT WITH CITY PLAN.] The enabling resolution may require that all official actions of the port authority must be consistent with the adopted comprehensive plan of the city, and official controls implementing the comprehensive plan.

Subd. 8. [PROJECT APPROVAL.] The enabling resolution may require that the port authority submit to the city council for

approval by resolution any proposed project as defined in Minnesota Statutes, section 273.73, subdivision 8.

Subd. 9. [GOVERNMENTAL RELATIONS.] The enabling resolution may require that the port authority submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval.

Subd. 10. [ADMINISTRATION, MANAGEMENT.] The enabling resolution may require that the port authority submit its administrative structure and management practices to the city council for approval.

Subd. 11. [EMPLOYEE APPROVAL.] The enabling resolution may require that the port authority must not employ anyone without the approval of the city council.

Subd. 12. [OTHER LIMITS.] The enabling resolution may impose any other limit or control established by the city council.

Subd. 13. [MODIFICATIONS.] The enabling resolution may be modified at any time, subject to subdivision 16. A modification must be made according to the procedural requirements of section 3.

Subd. 14. [MODIFICATION PROCEDURE.] Each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the port authority shall submit a report to the city council stating whether and how it wishes the enabling resolution to be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the port authority, and make any modification it considers appropriate. A modification must be made according to the procedural requirements of section 3. The petition requirement does not limit the right of the port authority to petition the city council at any time.

Subd. 15. [COUNCIL ACTION CONCLUSIVE.] A determination by the city council that the limits imposed under section 2 have been complied with by the port authority is conclusive.

Subd. 16. [NOT TO IMPAIR BONDS, CONTRACTS.] Limits imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed before the limit is imposed. The city council must not modify any limit in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Sec. 3. [PROCEDURAL REQUIREMENT.]

(a) The creation of a port authority by the city of Redwood Falls must be by written resolution known as the enabling resolution. Before adoption of the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a

statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear within 30 days before the public hearing.

(b) A modification to the enabling resolution must be by written resolution and must be adopted after notice is given and a public hearing conducted as required for the original adoption of the enabling resolution.

Sec. 4. [GENERAL OBLIGATION BONDS.]

The port authority must not proceed with the sale of general obligation tax supported bonds until the city council by resolution approves the proposed issuance. The resolution must be published in the official newspaper. If, within 30 days after the publication, a petition signed by voters equal in number to ten percent of the number of voters at the last regular city election is filed with the city clerk, the city and port authority must not issue the general obligation tax supported bonds until the proposition has been approved by a majority of the votes cast on the question at a regular or special election.

Sec. 5. [NAME.]

The city may choose the name of the port authority commission.

Sec. 6. [REMOVAL OF COMMISSIONERS FOR CAUSE.]

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

Sec. 7. [LOCAL APPROVAL.]

Sections 1 to 6 are effective for the city of Redwood Falls the day after the city complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; granting the city of Redwood Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restric-

tions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1419, A bill for an act relating to human rights; requiring certain boards and commissions to develop certain programs for persons subject to prejudice and discrimination; changing certain procedures in cases before the department of human rights; amending Minnesota Statutes 1986, sections 3.922, subdivision 6; 3.9222, by adding a subdivision; 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256.482, subdivision 5; 363.05, subdivision 1; 363.06, subdivisions 1 and 4; 363.071; 363.072, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 363.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 363.05, subdivision 1, is amended to read:

Subdivision 1. [FORMULATION OF POLICIES.] The commissioner shall formulate policies to effectuate the purposes of this chapter and shall:

(1) Exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) ~~cooperate and consult with appropriate commissioners and agencies in developing plans and programs to most effectively serve the needs of Indians; to assist women and to fulfill the purposes of this chapter;~~

(3) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(4) (3) meet and function at any place within the state;

(5) (4) ~~employ such hearing examiners~~ administrative law judges, attorneys, clerks and other employees and agents as the commissioner may deem necessary and prescribe their duties;

~~(6)~~ (5) to the extent permitted by federal law and regulation, utilize the records of the department of jobs and training of the state when necessary to effectuate the purposes of this chapter;

~~(7)~~ (6) obtain upon request and utilize the services of all state governmental departments and agencies;

~~(8)~~ (7) adopt suitable rules for effectuating the purposes of this chapter;

~~(9)~~ (8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

~~(10)~~ (9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question; authorize hearing examiners administrative law judges to exercise the authority conferred by this clause;

~~(11)~~ (10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

~~(12)~~ conduct research and study discriminatory practices;

~~(13)~~ publish and distribute the results of research and study when in the judgment of the commissioner the purposes of this chapter will be served thereby;

~~(14)~~ (11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

~~(15)~~ (12) make a written report of the activities of the commissioner to the governor each year and to the legislature by November 15 of each even-numbered year;

~~(16)~~ (13) accept gifts, bequests, grants or other payments public and private to help finance the activities of the department;

~~(17)~~ (14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the department of human rights;

~~(18)~~ (15) appoint a hearing examiner administrative law judge to preside at a public hearing on any complaint;

~~(19)~~ (16) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with

regard to public assistance, familial status, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(20) (17) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(21) (18) provide staff services to such advisory committees as may be created in aid of the functions of the department of human rights;

(22) (19) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities, but no grant in aid shall be made without first obtaining the advice and consent of the board; and

(23) develop educational programs, community organization programs, leadership development programs, motivational programs, and business development programs for the benefit of those persons theretofore and hereafter subject to prejudice and discrimination;

(24) provide information for and direction to a program designed to assist Indian citizens to assume all the rights, privileges, and duties of citizenship; and to coordinate and cooperate with local, state and national and private agencies providing services to the Indian people; and

(25) (20) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363.03, subdivision 9.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363.073.

Sec. 2. Minnesota Statutes 1986, section 363.06, subdivision 1, is amended to read:

Subdivision 1. [CHARGE FILING ACTIONS.] Any person aggrieved by a violation of this chapter may bring a civil action as provided in section 363.14, subdivision 1, clause (a), or may file a verified charge with the commissioner or the commissioner's designated agent, stating, A charge filed with the commissioner must be in writing and signed by the charging party. The charge must state the name and address of the person alleged to have committed an unfair discriminatory practice, setting and set out a summary of the details of the practice complained of and, if applicable, providing. The commissioner may require a charging party to provide the address of the person alleged to have committed the unfair discrim-

inatory practice, names of witnesses, documents, and any other information required by the commissioner necessary to process the charge. The commissioner may dismiss a charge when the charging party fails to provide required information. The commissioner within five ten days of the filing shall serve a copy of the charge and a request for a response and a form for use in responding to the charge upon the respondent personally or by registered or certified mail. After the filing of a charge the commissioner shall notify the charging party in writing of any change in the status of the charge. A copy of the notice shall be mailed to the respondent. The respondent shall file with the department a written response to the charge within 20 days of receipt of the charge.

Sec. 3. Minnesota Statutes 1986, section 363.06, subdivision 4, is amended to read:

Subd. 4. [INQUIRY INTO CHARGE.] (1) Consistent with clause (7), the commissioner shall promptly inquire into the truth of the allegations of the charge. The commissioner shall make an immediate inquiry when a charge alleges actual or threatened physical violence. The commissioner shall also make an immediate inquiry when it appears that a charge is frivolous or without merit and shall dismiss those charges.

The commissioner shall ~~then~~ give priority to investigating and processing those charges, in the order below, which the commissioner determines have ~~one or more of~~ the following characteristics:

(a) ~~there is evidence that the respondent has intentionally engaged in a reprisal;~~

(b) ~~there is evidence of irreparable harm if immediate action is not taken;~~

(c) ~~there is potential for broadly promoting the policies of this chapter;~~

(d) there is evidence that the respondent has intentionally engaged in a reprisal;

(e) (c) a significant number of recent charges have been filed against the respondent;

(f) (d) the respondent is a government entity;

(g) the charge is supported by substantial documentation, witnesses, or other evidence

(h) there is potential for broadly promoting the policies of this chapter; or

(f) the charge is supported by substantial and credible documentation, witnesses, or other evidence.

The commissioner shall inform charging parties of these priorities and shall tell each party if their charge is a priority case or not.

On other charges the commissioner shall make a determination within 12 months after the charge was filed as to whether or not there is probable cause to credit the allegation of unfair discriminatory practices, and

(2) If the commissioner determines after investigation that no probable cause exists to credit the allegations of the unfair discriminatory practice, the commissioner shall, within ten days of the determination, serve upon the charging party and respondent written notice of the determination. Within ten days after receipt of notice, the charging party may request in writing on forms prepared by the department that the commissioner reconsider the determination. The request shall contain a brief statement of the reasons for and new evidence in support of the request for reconsideration. At the time of submission of the request to the commissioner, the charging party shall deliver or mail to the respondent a copy of the request for reconsideration. The commissioner shall either reaffirm or reverse the determination of no probable cause within 20 days after receipt of the request for reconsideration, and shall within ten days notify in writing the charging party and respondent of the decision to reaffirm or reverse.

A decision by the commissioner that no probable cause exists to credit the allegations of an unfair discriminatory practice shall not be appealed to the court of appeals pursuant to section 363.072 or sections 14.63 to 14.68.

(3) If the commissioner determines after investigation that probable cause exists to credit the allegations of unfair discriminatory practices, the commissioner shall serve on the respondent and the respondent's attorney if the respondent is represented by counsel, by first class mail, a notice setting forth a short plain written statement of the alleged facts which support the finding of probable cause and an enumeration of the provisions of law allegedly violated. If the commissioner determines that attempts to eliminate the alleged unfair practices through conciliation pursuant to subdivision 5 have been or would be unsuccessful or unproductive, the commissioner shall issue a complaint and serve on the respondent, by registered or certified mail, a written notice of hearing together with a copy of the complaint, requiring the respondent to answer the allegations of the complaint at a hearing before a hearing examiner or administrative law judge at a time and place specified in the notice, not less than ten days after service of said complaint. A copy of the notice shall be furnished to the charging party and the attorney general.

(4) If, at any time after the filing of a charge, the commissioner has reason to believe that a respondent has engaged in any unfair discriminatory practice, the commissioner may file a petition in the district court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or transacts business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under this chapter, including an order or decree restraining the respondent from doing or procuring an act tending to render ineffectual an order the commissioner may enter with respect to the complaint. The court shall have power to grant temporary relief or a restraining order as it deems just and proper, but no relief or order extending beyond ten days shall be granted except by consent of the respondent or after hearing upon notice to the respondent and a finding by the court that there is reasonable cause to believe that the respondent has engaged in a discriminatory practice. Except as modified by this section, the Minnesota rules of civil procedure shall apply to an application, and the district court shall have authority to grant or deny the relief sought on conditions as it deems just and equitable. All hearings under this section shall be given precedence as nearly as practicable over all other pending civil actions.

(5) If a lessor, after engaging in a discriminatory practice defined in section 363.03, subdivision 2, clause (1), (a), leases or rents a dwelling unit to a person who has no knowledge of the practice or of the existence of a charge with respect to the practice, the lessor shall be liable for actual damages sustained by a person by reason of a final order as provided in this section requiring the person to be evicted from the dwelling unit.

(6) In any complaint issued under this section, the commissioner may seek relief for a class of individuals affected by an unfair discriminatory practice occurring on or after a date 300 days prior to the filing of the charge from which the complaint originates.

(7) The commissioner may adopt policies to determine which charges are processed and the order in which charges are processed based on their particular social or legal significance, administrative convenience, difficulty of resolution, or other standard consistent with the provisions of this chapter.

(8) The ~~hearing examiner~~ administrative law judge shall adopt policies to provide sanctions for intentional and frivolous delay caused by any charging party or respondent in an investigation, hearing, or any other aspect of proceedings before the department under this chapter.

Sec. 4. Minnesota Statutes 1986, section 363.071, subdivision 1, is amended to read:

Subdivision 1. [CONDUCT OF HEARINGS.] A complaint issued by the commissioner shall be heard as a contested case, except that the report of the ~~hearing examiner~~ administrative law judge shall be binding on all parties to the proceeding and if appropriate shall be implemented by an order as provided for in subdivision 2. The hearing shall be conducted at a place designated by the commissioner, within the county where the unfair discriminatory practice occurred or where the respondent resides or has a principal place of business. The hearing shall be conducted in accordance with sections 14.57 to 14.62, and is subject to appeal in accordance with sections 14.63 to 14.68.

Sec. 5. Minnesota Statutes 1986, section 363.071, subdivision 1a, is amended to read:

Subd. 1a. [HEARINGS 180 DAYS AFTER CHARGE.] At any time after 180 days from the filing of a charge, if there has been neither a finding of probable cause nor of no probable cause, the charging party may file a request with the commissioner to appear at a hearing on the party's own behalf or through a private attorney. The amount of time during which a case is subject to settlement negotiations, is being investigated by another enforcement agency under a work-sharing agreement, or has been referred to either mediation or to a local human rights commission for no-fault grievance processing must not be counted in computing the 180 days. Tolling of the time during settlement negotiations requires written approval of the charging party or the party's attorney. The right of a charging party to file a request for hearing does not apply in cases which, within 60 days of the filing of the charge, have been certified as complex by the commissioner. A case may not be certified as complex unless it involves multiple parties or issues, presents complex issues of law or fact, or presents substantially new issues of law in the discrimination area. Within five days of certifying a case as complex, the commissioner shall give notice of that certification to the charging party and the respondent. The commissioner shall make a determination of cause or no probable cause within one year of the filing of any case in which the time has been tolled or a case certified as complex. Upon receipt of the request, the commissioner shall review the documents and information held in the department's files concerning the charge and shall release to the charging party and respondent all documents and information that is accessible to the charging party and respondent under sections 13.01 to 13.87. The commissioner shall forward the request for hearing to the office of administrative hearings, which shall promptly set the matter for hearing. If the charging party prevails at this hearing, the ~~hearing examiner~~ commissioner may require the respondent to reimburse the charging party for reasonable attorney's fees.

Sec. 6. Minnesota Statutes 1986, section 363.071, subdivision 6, is amended to read:

Subd. 6. [SUBPOENAS.] After the issuance of a complaint pursuant to section 363.06, subdivision 4, a charging party or a respondent may request that the ~~hearing examiner~~ administrative law judge issue subpoenas requiring the presence of witnesses or the production for examination of books or papers not privileged and relevant to any matter in question at the hearing."

Delete the title and insert:

"A bill for an act relating to human rights; changing certain procedures in cases before the department of human rights; amending Minnesota Statutes 1986, sections 363.05, subdivision 1; 363.06, subdivisions 1 and 4; and 363.071, subdivisions 1, 1a, and 6."

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. 1421, A bill for an act relating to insurance; regulating the formation and operation of risk retention groups; prescribing the powers and duties of the commissioner; defining terms; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 60E.

Reported the same back with the following amendments:

Page 12, delete section 14

Renumber the remaining section

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. 1425, A bill for an act relating to state contracts; requiring bidders on state construction contracts to submit lists of subcontractors and prohibiting subcontracts with persons not listed; providing penalties; amending Minnesota Statutes 1986, sections

16B.07, by adding a subdivision; and 161.32, by adding a subdivision.

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1439, A bill for an act relating to labor; making collective bargaining agreements binding upon transferee employers; defining transferee employer; creating certain exclusions; requiring the disclosure of collective bargaining agreements; providing for enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 179.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1444, A bill for an act relating to towns; providing procedures for their organization and dissolution; amending Minnesota Statutes 1986, sections 365.45; 368.47; and 379.01.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 365.45, is amended to read:

365.45 [DISSOLUTION OF TOWNS.]

When the electors of any town, at the annual meeting, or at a special meeting called for that purpose, shall have voted, by ballot, to dissolve the town organization hereunder, the town board thereof shall adopt a resolution setting forth such facts and asking for the dissolution of the town; and a copy of the resolution, a petition signed by a majority of the registered voters of the town calling for the dissolution of the town organization is filed with the town clerk at least 60 days before a regular or special town election, the question of whether to dissolve the town shall be submitted to the

voters at the regular or special town election in the same manner provided in section 368.47. The result of the election, duly certified by the town clerk, shall be presented to the board of county commissioners of the county in which ~~such~~ the town is located; ~~such~~. The board of county commissioners ~~may~~ shall, or whenever the tax delinquency in any town exceeds 70 percent in any one year, the board of county commissioners of the county wherein ~~such~~ the town is situated, on its own initiative, may, by resolution, dissolve ~~such~~ the town and attach the territory formerly embraced therein to an adjoining town or towns, or provide for the government of ~~such~~ the territory as unorganized territory of the county. If ~~such~~ the dissolved territory is added to an adjoining town the proposal ~~therefor~~ shall first have the approval of a five-eighths majority of the voting electors of ~~such~~ the town to which the dissolved territory is added. Upon the adoption of the resolution by the county board ~~such~~ the town shall be dissolved and no longer entitled to exercise any of the powers or functions of an organized town. The county auditor shall give ten days notice, by one publication in the paper in which the proceedings of the county board are published, of the meeting of the county board at which ~~such~~ petition the dissolution of the town will be considered.

Sec. 2. Minnesota Statutes 1986, section 368.47, is amended to read:

368.47 [TOWNS MAY BE DISSOLVED.]

When the voters residing within a town in this state have failed to elect any town officials for more than ten years continuously ~~immediately prior to April 24, 1937~~, or the town has failed and omitted for a period of ten years to exercise any of the powers and functions of a town, as provided by law, or when the assessed valuation of any town drops to less than \$40,000, or when the tax delinquency of any such town, exclusive of taxes that are delinquent or unpaid by reason of taxes being contested in proceedings for the enforcement of taxes, amounts to 50 percent of its assessed valuation, or where the state or federal government has acquired title to 50 percent of the real estate of such town, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town. In counties having a population according to the 1930 federal census of not more than 16,000 nor less than 15,000 and having not more than 77 nor less than 75 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 28,000 nor less than 27,000 and having not more than 91 nor less than 90 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 210,000 nor less than

200,000 and having not more than 202 nor less than 200 full or fractional congressional townships, before any such dissolution shall become effective the ~~freeholders~~ voters of the town ~~may~~ shall express their approval or disapproval of such dissolution. The clerk of the town shall, upon ~~the petition of ten legal voters of such a~~ petition signed by a majority of the registered voters of the town, filed with the clerk at least 15 60 days before any regular or special town election thereof, give notice at the same time and in the same manner of such election that the question of dissolution of such town will be submitted for determination at such election. At such election when so petitioned for the question shall be voted upon by a separate ballot, the terms of which shall be either "for dissolution" or "against dissolution," which ballot shall be deposited in a separate ballot box to be provided and the result of such voting shall be duly canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election shall be for dissolution, such town shall be dissolved; and, if a majority of the votes cast at the election shall be against dissolution, the town shall not be dissolved.

When a town is dissolved under the provisions of sections 368.47 to 368.49 the county shall acquire title to any telephone company or any other business being conducted by such town and such business shall be operated by the board of county commissioners until such time as a sale thereof can be made; provided that the subscribers or patrons of such businesses shall have the first opportunity of purchase. If such dissolved town has any outstanding indebtedness chargeable to such business, the auditor of the county wherein such dissolved town is located shall levy a tax against the property situated in the dissolved town for the purpose of paying the indebtedness as it becomes due.

Sec. 3. Minnesota Statutes 1986, section 379.01, is amended to read:

379.01 [ORGANIZATION.]

Subdivision 1. [MANNER; PETITION; NAME.] When a majority of the legal registered voters of any congressional township containing not less than 25 legal voters petition the county board to be organized as a town such board shall forthwith call an election on the question. If a majority of the vote in the township is in favor of organization, the county board shall proceed to fix and determine the boundaries of such new town and name the same and make and file with the auditor a full report of its proceedings in relation to the establishment thereof. Towns thus formed shall be named in accordance with the expressed wish of a majority of its voters. If they fail to request a name, the board shall select one.

Subd. 2. [PETITION BY FREEHOLDERS.] When a majority of the resident freeholders of any one, two, three, four, or five congres-

sional townships containing in the aggregate not less than 25 freeholders who are legal voters petition the county board to be organized as a town such board shall forthwith call an election on the question. If a majority of the vote in the townships is in favor of organization, the county board shall proceed to fix and determine the boundaries of such new town and name the same and make and file with the county auditor a full report of its proceedings in relation to the establishment thereof. For the purposes of this section the word "freeholders" shall be construed to include any person who is a legal voter in any such town occupying real estate therein under the homestead or preemption laws of the United States or under contract of purchase from any person or corporation or from the state of Minnesota.

Subd. 3. [ORGANIZATIONAL MEETING.] If the result of an election held under this section is in the affirmative the county shall arrange for the holding of the first organizational meeting not more than 30 days after the election in the township to be organized.

Subd. 4. [CONDUCT OF ELECTION; COSTS.] The county auditor shall have the ballots printed for an election under this section, and shall otherwise make preparation for the election including having a notice published in the official newspaper of the county once a week for two successive weeks stating the date of the election and the question to be voted on. The last publication shall be no later than ten days before the election. The cost of the election shall be borne by the county."

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. 1447, A bill for an act relating to employment; providing for distribution of certain taconite tax proceeds to iron range resources and rehabilitation board for the purposes of funding an employment program and a research and development program; appropriating money; amending Minnesota Statutes 1986, section 298.28, subdivisions 4, 7, 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 298.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted assessed value per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted assessed value per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 294.21 to 294.26; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67 or any law imposing a tax on several mineral values or any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, and July 15, 1989, the amount per ton provided under this paragraph shall be the same amount as the amount per ton under this paragraph in 1987. On July 15, ~~1988~~ 1990, and subsequent years, the increase over the amount established for the prior year shall be determined according

to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of $1\frac{3}{4}$ mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of $1\frac{3}{4}$ mills times the district's taxable valuation in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124A.02 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 2. Minnesota Statutes 1986, section 298.28, subdivision 7, is amended to read:

Subd. 7. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this subdivision shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1; and shall be increased in 1988. In 1988 and 1989 the amount shall be the same as it is in 1987. In 1990 and subsequent years the increase over the amount provided for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this subdivision may

be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

Sec. 3. Minnesota Statutes 1986, section 298.28, is amended by adding a subdivision to read:

Subd. 7a. [EMPLOYMENT FUND.] In 1988 and 1989, the amount of tax proceeds for concentrates produced in 1987 and 1988 attributable to the amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (b), shall be paid to the iron range resources and rehabilitation board and deposited in the taconite tax relief area employment fund for the purposes of sections 5 to 12.

Sec. 4. Minnesota Statutes 1986, section 298.28, subdivision 10, is amended to read:

Subd. 10. [INCREASE.] The amounts determined under subdivisions 6, paragraph (a), and 9 shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. In 1988 and 1989 those amounts shall be the same as they are in 1987. Those amounts shall be increased in 1988 1990 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

The distributions per ton determined under subdivisions 5, paragraphs (b) and (d), and 6, paragraphs (b) and (c) for distribution in 1988 and subsequent years shall be the distribution per ton determined for distribution in 1987.

Sec. 5. [298.331] [TACONITE TAX RELIEF AREA EMPLOYMENT FUND.]

Subdivision 1. [CREATION OF FUND.] The taconite tax relief area employment fund is created. The fund consists of the proceeds provided in section 298.28, subdivision 7a; gifts to the fund under subdivision 3; loans made to the fund under subdivision 4; and repayments under section 9, subdivision 4. The fund must be invested pursuant to law. Any interest or dividends arising from the investment of the fund must be included in and become part of the fund.

Subd. 2. [PURPOSE.] The purpose of the fund is to (1) encourage and assist in the creation of new industries and the development of new worker skills, and to increase long-term employment by providing temporary wage assistance to otherwise unemployed workers and their employers; and (2) provide research and development funds

to encourage utilization of resources indigenous to the tax relief area defined in section 273.134.

Subd. 3. [GIFTS TO FUND.] The commissioner of the iron range resources and rehabilitation board may accept private or public gifts, grants, or other assistance. The grants or other payments must be deposited in and become part of the fund. Other gifts or assistance must be used for the purposes of sections 6 to 12.

Subd. 4. [LOANS TO FUND.] The iron range resources and rehabilitation board may deposit in the fund any resources available to it under other law for the purpose of funding the programs in sections 6 to 12 in anticipation of the receipt of tax proceeds under section 298.28, subdivision 7a. Amounts deposited in the fund under this subdivision must be repaid to the board, without interest, no later than June 15, 1989.

Subd. 5. [ADMINISTRATION OF FUND.] The commissioner of the iron range resources and rehabilitation board shall administer the taconite tax relief area employment fund created in subdivision 1.

Subd. 6. [APPROPRIATION.] The amounts provided to the fund are appropriated to the commissioner to administer the fund, make wage assistance and benefits payments under sections 6 to 10, and fund research and development programs under section 12.

Subd. 7. [TERMINATION OF FUND.] The fund expires June 15, 1989. On termination of the fund, any unexpended or unallocated funds must be paid to the iron range resources and rehabilitation board for the purposes of section 298.22.

Sec. 6. [298.332] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 6 to 11, the following terms have the meanings given them.

Subd. 2. [ELIGIBLE BUSINESS.] "Eligible business" means a for-profit business.

Subd. 3. [ELIGIBLE EMPLOYER.] "Eligible employer" means an eligible government agency, an eligible nonprofit agency, or an eligible business.

Subd. 4. [ELIGIBLE GOVERNMENT AGENCY.] "Eligible government agency" means a county, municipality, school district, or other local governmental subdivision, a state agency, or a federal agency office in the tax relief area.

Subd. 5. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who is an unemployed resident of the tax relief area, is not receiving, is not qualified to receive, or has exhausted all unemployment compensation, workers' compensation, or severance pay. The commissioner may establish additional eligibility criteria.

Subd. 6. [ELIGIBLE NONPROFIT AGENCY.] "Eligible nonprofit agency" means an organization in the tax relief area that is exempt from taxation under the Internal Revenue Code of 1986, section 501(c)(3), as amended through December 31, 1986.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of the iron range resources and rehabilitation board.

Subd. 8. [TAX RELIEF AREA.] "Tax relief area" has the meaning given it in section 273.134.

Sec. 7. [298.333] [WAGE SUBSIDY; ADMINISTRATION.]

Subdivision 1. [WAGE SUBSIDY AMOUNT; PRIORITY.] The commissioner shall establish the amount of assistance paid under sections 6 to 11. The assistance for an eligible job applicant employed under the program must not exceed \$5 per hour plus \$1 per hour for benefits. The commissioner may use the \$1 per hour benefits amount to purchase a group health insurance plan for employees participating in the program. Assistance may not be paid with respect to an eligible employee for a period longer than six months, unless the commissioner determines that the funds available exceed the cost of providing wage assistance to all eligible applicants for a period of six months.

The commissioner may establish standards to determine priorities in allocating available funds among eligible job applicants. The standards must give priority to applicants living in households with no other sources of income or applicants who receive public assistance payments.

Subd. 2. [CONTRACTS; COMPLIANCE.] The commissioner may contract with other state agencies, local governmental units or agencies, or certified local service providers to administer wage assistance payments under sections 6 to 11. The commissioner may not pay the expenses of the agency's, governmental unit's, or other provider's administration out of the fund established in section 5. The commissioner may contract with the commissioner of jobs and training to enforce compliance with sections 6 to 10, and, in that case, the commissioner of jobs and training has the enforcement powers given in section 268.673, subdivision 4, to enforce compliance with sections 6 to 10.

Sec. 8. [298.334] [ELIGIBLE GOVERNMENT AND NONPROFIT AGENCY EMPLOYMENT.]

A government or nonprofit agency is an eligible employer with respect to temporary work relief projects that are determined by the commissioner to have long-term benefit to or are needed by the community including, but not limited to, jobs in permanent public improvement projects, residential or public building weatherization projects, resource development projects, and community social service programs such as child care and home health care.

Sec. 9. [298.335] [BUSINESS EMPLOYMENT.]

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with the commissioner or the commissioner's contractor that:

(1) funds received by a business shall be used only to pay wages and benefits as permitted under sections 6 to 11;

(2) the business has submitted information to the commissioner or the commissioner's contractor (i) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (ii) demonstrating that, with the funds provided under section 7, the business is likely to succeed and continue to employ persons hired using wage subsidies;

(3) the business will use the funds exclusively for compensation and benefits to eligible job applicants and will provide employees hired with these funds with benefits, as required by the commissioner, and other terms and conditions of employment comparable to those given to other employees of the business doing comparable work;

(4) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions that would be filled even in the absence of wage assistance payments;

(5) the business will cooperate with the commissioner or the commissioner's contractor in collecting data to assess the result of wage assistance payments; and

(6) the business complies with all applicable affirmative action, fair labor, health, safety, and environmental laws, rules, or standards.

Subd. 2. [PRIORITIES.] In allocating funds among eligible businesses, the commissioner or the commissioner's contractor shall give priority to businesses that best satisfy the following criteria:

(1) have a high potential for growth and long-term job creation;

- (2) are labor intensive;
- (3) meet the definition of a small business as defined in section 645.445;
- (4) make high use of local and Minnesota resources;
- (5) are under ownership of women and minorities;
- (6) make high use of new technology;
- (7) produce energy conserving materials or services or are involved in development of renewable sources of energy;
- (8) export products outside the state;
- (9) are manufacturers; and
- (10) have their primary place of business in the tax relief area.

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the commissioner or the commissioner's contractor to employ and train another person referred by the commissioner or the commissioner's contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the commissioner or the commissioner's contractor and the business prior to the disbursement of the funds and is subject to renegotiation.

Subd. 4. [TACONITE TAX RELIEF AREA FUND.] All payments from businesses under subdivision 3 must be deposited in the taconite tax relief area employment fund, and are appropriated to the commissioner for the purpose of making wage assistance payments under sections 6 to 11.

Sec. 10. [298.336] [WORKER DISPLACEMENT PROHIBITED.]

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An eligible employer may not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under sections 6 to 11.

Subd. 2. [HIRING DURING LAYOFFS.] An eligible employer may not hire an individual with funds available under sections 6 to 11 if any other person is on layoff from the same or a substantially equivalent job.

Subd. 3. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency must certify to the commissioner or the commissioner's contractor that each job created and funded under sections 6 to 11:

(1) will result in an increase in employment opportunities over those which would otherwise be available;

(2) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(3) will not impair existing contracts for service or result in the substitution of wage subsidy funds for other funds in connection with work that would otherwise be performed.

Sec. 11. [298.337] [REPORT.]

The commissioner shall report quarterly to the governor and legislative advisory commission regarding wage assistance payments under sections 6 to 11. The report must state: (1) the number of persons employed; (2) the number and type of employers under the program; (3) the amount of money spent for wages for each type of employment and each type of other expense; (4) the number of persons who have completed participation in the program and their current employment, educational, or training status; (5) the costs of administration and enforcement; and (6) any other information requested by the governor or the legislative advisory commission. Each report must include cumulative information, as well as information for each quarter.

Sec. 12. [298.338] [CONTRACT FOR RESEARCH AND DEVELOPMENT PROGRAMS.]

The commissioner of the iron range resources and rehabilitation board may contract with the director of the Natural Resources Research Institute of the University of Minnesota, Duluth, for research and development programs. The programs must concentrate on utilizing the resources that are indigenous to the tax relief area as defined in section 273.134.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for distributions in 1988 and 1989. Sections 5 to 12 are effective the day after final enactment for wage assistance payments and research and development contract payments beginning June 1, 1987, and ending June 1, 1989.

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

The report was adopted.

Beginch from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1450, A bill for an act relating to workers' compensation; requiring security of self-insurers; regulating special compensation fund assessments and liability; creating a self-insurer insolvency fund; authorizing certain inspections; providing penalties; amending Minnesota Statutes 1986, sections 176.041, subdivision 4, and by adding a subdivision; 176.129, subdivisions 3 and 13; 176.131, subdivisions 1, 1a, and 8; 176.132, subdivision 1; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.225, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 176.

Reported the same back with the following amendments:

Page 1, line 18, after "self-insurer" insert "except the state and its political subdivisions as well as political subdivision self-insurance pools exempted by sections 471.98 to 471.982"

Page 5, delete sections 3 and 4 and insert:

"Sec. 3. Minnesota Statutes 1986, section 176.129, subdivision 9, is amended to read:

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) sue and be sued in its own name;

(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;

(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter;

(d) contract with another party to administer the special compensation fund; and

(e) take any other action which an insurer is permitted by law to take in operating within this chapter; and

(f) conduct a financial audit of indemnity claim payments and assessments reported to the fund. This may be contracted by the fund to a private auditing firm.

Sec. 4. Minnesota Statutes 1986, section 176.129, subdivision 11, is amended to read:

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process. All sums recovered by the special compensation fund as a result of action under section 176.061, or recoveries of payments made by the special compensation fund under section 176.183 or 176.191 shall be credited to the special compensation fund.

Page 7, delete lines 5 to 13

Page 7, delete section 7

Pages 9 to 12, delete section 10

Page 15, line 7, delete "the self-insurers insolvency fund"

Page 15, line 8, delete "or"

Page 15, after line 33, insert:

"Subdivision 1. [PROOF OF INSURANCE.] The commissioner of labor and industry, in order to carry out the purpose of section 176.181, may request satisfactory proof of authority to self insure workers' compensation liability or satisfactory proof of insurance coverage for workers' compensation liability. If an employer does not provide satisfactory proof as requested within seven working days of the mailing of the request, the commissioner may proceed in accordance with the provisions of subdivisions 2 to 7."

Renumber the subdivisions

Page 18, after line 19, insert:

"Sec. 14. Minnesota Statutes 1986, section 176.185, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY FOR IMPROPER WITHHOLDING.] Except as provided by subdivision 6, if, after notification by the commissioner an employer continues to withhold money from an employee's wages or otherwise attains money from an employee to pay a part of the cost of insuring the employers risk is subject to a penalty of 200 percent of the amount withheld from or charged the employee for all instances after the initial violation. The penalty shall be imposed by the commissioner. Fifty percent of this penalty is payable to the special compensation fund."

Page 18, line 33, delete "10,"

Page 19, line 6, delete "10,"

Page 19, after line 7, insert:

"Sec. 16. [APPROPRIATIONS; COMPLEMENT INCREASE.]

There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund:

1988
\$197,000

1989
\$197,000

The approved complement of the department of labor and industry is increased by one and is to be used to enforce mandatory insurance requirements."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "penalties;" insert "appropriating money;"

Page 1, lines 7 and 8, delete ", and by adding a subdivision"

Page 1, line 8, delete "3" and insert "9, 11,"

Page 1, line 9, delete ", 1a,"

Page 1, line 11, before "176.225" insert "176.185, by adding a subdivision;"

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1452, A bill for an act relating to unemployment compensation; limiting recovery of overpayments due to agency error; limiting amount of setoff from current benefit amount; amending Minnesota Statutes 1986, section 268.18, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 268.15, subdivision 3, is amended to read:

Subd. 3. [CONTINGENT ACCOUNT.] There is hereby created in the state treasury a special account, to be known as the economic security contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to section 268.16 and all moneys received in the form of voluntary contributions to this account and interest thereon. All moneys in such account shall be supplemental to all federal moneys that would be available to the commissioner but for the existence of this account. Moneys in this account are hereby appropriated to the commissioner and shall be expended in accordance with the provisions of section 3.30, in connection with the administration of sections 268.03 to 268.24. Whenever the commissioner expends moneys from said contingent account for the proper and efficient administration of the Minnesota economic security law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the economic security administration fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the economic security administration fund to said contingent account. All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state

treasury. The state treasurer shall be liable on the treasurer's official bond for the faithful performance of duties in connection with the economic security contingent account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year, except 1982, all amounts in excess of \$300,000 in this account shall be paid over to the unemployment compensation fund established under section 268.05 and administered in accordance with the provisions set forth therein.

The commissioner shall pay from the contingent account into the unemployment insurance fund an amount equal to the amount of erroneous payments, other than computational errors, due to errors in the administration of sections 268.03 to 268.24 or because of determinations or redeterminations issued pursuant to section 268.10, subdivision 2, because of department error, which are not collected from the claimant within three years of the overpayment.

Sec. 2. Minnesota Statutes 1986, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of the claimant's own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which the claimant was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of jobs and training. If such claimant fails to return such benefits, the department of jobs and training shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of jobs and training within 15 days after the mailing of the notice of determination to the claimant's last known address or personal delivery of the notice, the determination shall become final. If the claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before a referee of the department and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of jobs and training is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner, except that an overpayment that is due to an error, other than a computation error, of any individual engaged in the administration of sections 268.03 to 268.24 shall be recovered only by deduction from future benefits payable. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual

is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. Recovery of an overpayment by deduction from future benefits payable shall be limited to 25 percent each week of a claimant's weekly benefit. Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments."

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 268.15, subdivision 3; and"

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. 1478, A bill for an act relating to the city of Mankato; permitting the establishment of special service districts; providing taxing and other authority.

Reported the same back with the following amendments:

Page 3, line 29, insert a period after "273.76" and delete "or to the distribution or contribution value under"

Page 3, line 30, delete "Minnesota Statutes, section 473F.08."

Page 5, line 11, delete "chapter 473F."

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

The report was adopted.

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

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 subdivi-

sions; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

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

The report was adopted.

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

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.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

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.

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1542, A bill for an act relating to unemployment compensation; making various technical and housekeeping changes; defining "wages"; regulating benefits and contributions; providing for the administration of the unemployment compensation law; providing penalties; amending Minnesota Statutes 1986, sections 268.04, subdivisions 9, 12, 24, 25, 26, 29, and by adding subdivisions; 268.06, subdivisions 2, 3a, 5, 6, 8, 19, 20, 22, and 24; 268.07, subdivision 3; 268.08, subdivisions 3, 3a, and by adding a subdivision; 268.09, subdivisions 1 and 3; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2, and by adding subdivisions; 268.161, subdivisions 1, 8, 9, and by adding a subdivision; 268.18, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision;

268.65, subdivision 5; 270A.09, by adding a subdivision; and 508.25; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1986, section 268.24.

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

The report was adopted.

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

House Concurrent Resolution No. 9, A House concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 142, 157, 228, 283, 371, 376, 462, 464, 521, 613, 638, 706, 762, 774, 809, 853, 872, 903, 909, 945, 969, 990, 1015, 1038, 1041, 1046, 1068, 1103, 1111, 1145, 1163, 1193, 1204, 1209, 1230, 1260, 1263, 1277, 1308, 1312, 1314, 1319, 1327, 1348, 1376, 1397, 1409, 1419, 1421, 1425, 1439, 1444, 1452, 1507, 1521 and 1542 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Segal introduced:

H. F. No. 1571, A bill for an act relating to vocational rehabilitation; establishing a legislative commission to study and make recommendations regarding job and training options for persons with mental illness; appropriating funds.

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

Nelson, K., introduced:

H. F. No. 1572, A bill for an act relating to education; authorizing certain school districts to issue bonds to improve buildings.

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

Neuenschwander introduced:

H. F. No. 1573, A bill for an act relating to horse racing; requiring revenue from unredeemed pari-mutuel tickets to be deposited into the game and fish fund; appropriating money; amending Minnesota Statutes 1986, section 240.15, subdivisions 5 and 6.

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

Hugoson and Kalis introduced:

H. F. No. 1574, A bill for an act relating to education; allowing school districts to determine when to begin and end the school year with certain restrictions; amending Minnesota Statutes 1986, section 126.12, subdivision 1, and by adding a subdivision.

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

Johnson, A.; Olson, K.; Price; McEachern and Kelso introduced:

H. F. No. 1575, A bill for an act relating to education; providing for suicide prevention programs in schools; appropriating money; 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.

Tjornhom, Segal, Wagenius, Kalis and Carlson, D., introduced:

H. F. No. 1576, A bill for an act relating to traffic regulations; requiring the commissioner of transportation to allow high-occupancy vehicles to use exclusive bus ramps on controlled-access trunk highways; proposing coding for new law in Minnesota Statutes 1986, chapter 169.

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

Milbert introduced:

H. F. No. 1577, A bill for an act relating to education; authorizing exceptional need revenue for eligible school districts; appropriating money; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

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

Kludt, Norton, Clark, Kelly and Greenfield introduced:

H. F. No. 1578, A bill for an act relating to medical records; providing for patient access to medical records; amending Minnesota Statutes 1986, section 144.335, subdivision 2.

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

Skoglund introduced:

H. F. No. 1579, A bill for an act relating to financial institutions; imposing liability for errors made by a financial institution under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 47.

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

Jacobs introduced:

H. F. No. 1580, A bill for an act relating to taxation; providing that railroad retirement benefits are exempt from taxation; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

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

Miller introduced:

H. F. No. 1581, A bill for an act relating to education; appropriating money for a grant for the Redwood county telecommunications network.

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

Scheid, Osthoff, Quinn, Kostohryz and Shaver introduced:

H. F. No. 1582, A bill for an act relating to elections; establishing a local government election day for election of county, city, and school district officers, county and municipal judges, and officers of all other political subdivisions except towns; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; integrating municipal and school district election laws with laws applicable to other elections; superseding certain inconsistent general and special laws and home rule charter provisions; amending Minnesota Statutes 1986, sections 40.05, subdivisions 1, 3, and 4; 40.06, subdivision 1; 122.23, subdivisions 12, 17, and 18; 122.25, subdivision 2; 123.12, subdivision 1; 123.32, subdivisions 9, 13, and 23; 123.33, subdivisions 1 and 4; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 123.51; 128.01; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and by adding a subdivision; 203B.05, subdivision 2; 203B.06, subdivision 3; 204B.12, subdivision 1; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2, and by adding a subdivision; 204B.35, subdivision 1; 204B.40; 204C.10, subdivision 1; 204C.19, subdivision 2; 204C.25; 204C.27; 204C.28, by adding a subdivision; 204C.31, subdivision 2; 204C.32, subdivision 1; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5, and by adding a subdivision; 204D.16; 205.02, subdivision 2; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivision 2; 205.185, subdivisions 2, 3, and by adding a subdivision; 209.02, subdivision 1; 209.021, subdivision 3; 365.51; 375.025, subdivision 4; 375.03; 375.101, subdivision 2; 375A.02, subdivision 1; 375A.09, subdivision 4; 382.01; 397.06; 397.07; 398.04; 410.21; 412.02, subdivisions 2 and 2a; 412.021, subdivision 2; 412.571, subdivision 5; 447.32, subdivisions 1 and 2; 487.03, subdivisions 2 and 5; 488A.021, subdivision 3; and 488A.19, subdivision 3; proposing coding for new law in chapters 205 and 210A; repealing Minnesota Statutes 1986, sections 123.015; 123.11, subdivisions 2, 3, 4, 5, and 6; 123.32, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 11, 22, 24, 25, 26, and 27; 200.015; 201.095; 204D.28, subdivision 5; 205.02; 205.065; 205.07; 205.175; 205.18; 205.20; 206.76; and 447.32, subdivisions 3 and 4.

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

Johnson, R.; Kahn; Carlson, D.; Kinkel and Munger introduced:

H. F. No. 1583, A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; and 89.19; proposing coding for new law in Minnesota Statutes, chapter 89.

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

Kelly, Wagenius, Trimble, Pappas and Krueger introduced:

H. F. No. 1584, A bill for an act relating to family law; providing for the unenforceability of surrogate parenting contracts; proposing coding for new law in Minnesota Statutes, chapter 257.

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

Carlson, L., introduced:

H. F. No. 1585, A bill for an act relating to natural resources; providing for surface water regulation on Twin Lakes in the city of Robbinsdale.

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

Otis, Nelson, K.; Carlson, L.; Boo and Gruenes introduced:

H. F. No. 1586, A bill for an act relating to education; establishing a regent candidate search commission to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

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

Gruenes introduced:

H. F. No. 1587, A bill for an act relating to retirement; inclusion of librarians in the correctional officer's retirement plan; amending Minnesota Statutes 1986, section 352.91, subdivision 2.

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

Kelly, Greenfield, Simoneau, Blatz and Wynia introduced:

H. F. No. 1588, A bill for an act relating to state government; creating a state ombudsman agency; providing for deputy ombudsman for child protection, corrections, crime victims, and mental health; creating a state ombudsman advisory council; prescribing powers and duties; amending Minnesota Statutes 1986, sections 13.66; 609.101; 626.556, subdivision 10, and by adding a subdivision; and 626.557, subdivision 11, and by adding a subdivision;

proposing coding for new law as Minnesota Statutes, chapter 256G; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, sections 241.41 to 241.45, and 611A.72 to 611A.75.

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

Olsen, S., introduced:

H. F. No. 1589, A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1986, section 500.20, by adding a subdivision.

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

Dorn introduced:

H. F. No. 1590, A bill for an act relating to education; clarifying the authority of school boards to appoint directors of area vocational technical institutes; amending Minnesota Statutes 1986, section 136C.05, subdivision 1.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I have the honor to inform the House of Representatives that the Senate is ready to meet with the House in Joint Convention at 1:00 p.m., Wednesday, April 15, 1987, to elect members to the Board of Regents of the University of Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONSENT CALENDAR

H. F. No. 1042, A bill for an act relating to motor carriers; exempting drivers of intrastate charter carriers from having in

possession a medical examiner certificate if the driver has a school bus endorsement; amending Minnesota Statutes 1986, section 221.031, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1083, A bill for an act relating to government liability; authorizing municipal insurers to settle tort claims; clarifying that instrumentalities of municipalities incorporated as nonprofit corporations may be included in the self insurance pool; amending Minnesota Statutes 1986, sections 466.06; 466.08; and 471.98, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Battaglia	Beard	Bennett	Bishop
Anderson, R.	Bauerly	Begich	Bertram	Blatz

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

The bill was passed and its title agreed to.

H. F. No. 1207, A bill for an act relating to real property; altering certain redemption periods; amending Minnesota Statutes 1986, section 580.23, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kinkel	Nelson, D.	Rice
Anderson, R.	Frederick	Kludt	Nelson, K.	Richter
Battaglia	Frerichs	Knickerbocker	Neuenschwander	Riveness
Bauerly	Greenfield	Knuth	O'Connor	Rodosovich
Beard	Gruenes	Kostohryz	Ogren	Rose
Begich	Gutknecht	Krueger	Olsen, S.	Rukavina
Bennett	Hartle	Larsen	Olson, K.	Sarna
Bertram	Haukoos	Lasley	Omann	Schafer
Bishop	Heap	Lieder	Onnen	Schoenfeld
Blatz	Himle	Long	Orenstein	Schreiber
Boo	Hugoson	Marsh	Otis	Seaberg
Brown	Jacobs	McDonald	Ozment	Segal
Carlson, D.	Jaros	McEachern	Pappas	Shaver
Carlson, L.	Jefferson	McKasy	Pauly	Simoneau
Carruthers	Jennings	McLaughlin	Pelowski	Skoglund
Clark	Jensen	McPherson	Peterson	Solberg
Clausnitzer	Johnson, A.	Milbert	Poppenhagen	Sparby
Cooper	Johnson, R.	Miller	Price	Stanisus
Dauner	Johnson, V.	Minne	Quinn	Steensma
DeBlieck	Kahn	Morrison	Quist	Svigum
Dempsey	Kalis	Munger	Redalen	Swenson
Dille	Kelly	Murphy	Reding	Thiede
Dorn	Kelso	Nelson, C.	Rest	Tjornhom

Tompkins	Uphus	Vellenga	Waltman	Wynia
Trimble	Valento	Voss	Welle	Spk. Norton
Tunheim	Vanasek	Wagenius	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 1223, A bill for an act relating to Morrison county; removing special qualifications for newspapers; repealing Laws 1980, chapter 526.

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

The bill was passed and its title agreed to.

H. F. No. 1390, A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota Statutes 1986, section 8.33.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1416, A bill for an act relating to the city of Minneapolis; providing for the appointment of the director of the office of emergency preparedness; amending Laws 1969, chapter 937, section 1, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clark	Heap	Kludt	Miller
Anderson, R.	Clausnitzer	Himle	Knickerbocker	Minne
Battaglia	Cooper	Hugoson	Knuth	Morrison
Bauerly	Dauner	Jacobs	Kostohryz	Munger
Beard	DeBlicck	Jaros	Krueger	Murphy
Begich	Dempsey	Jefferson	Larsen	Nelson, C.
Bennett	Dille	Jennings	Lasley	Nelson, D.
Bertram	Dorn	Jensen	Lieder	Nelson, K.
Bishop	Forsythe	Johnson, A.	Long	Neuenschwander
Blatz	Frederick	Johnson, R.	Marsh	O'Connor
Boo	Frerichs	Johnson, V.	McDonald	Ogren
Brown	Greenfield	Kahn	McEachern	Olsen, S.
Burger	Gruenes	Kalis	McKasy	Olson, E.
Carlson, D.	Gutknecht	Kelly	McLaughlin	Olson, K.
Carlson, L.	Hartle	Kelso	McPherson	Omann
Carruthers	Haukoos	Kinkel	Milbert	Onnen

Orenstein	Quist	Schafer	Stanisus	Vanasek
Osthoff	Redalen	Scheid	Steensma	Vellenga
Otis	Reding	Schoenfeld	Sviggrum	Voss
Ozment	Rest	Schreiber	Swenson	Wagenius
Pappas	Rice	Seaberg	Thiede	Waltman
Pauly	Richter	Segal	Tjornhom	Welle
Pelowski	Riveness	Shaver	Tompkins	Wenzel
Peterson	Rodosovich	Simoneau	Trimble	Winter
Poppenhagen	Rose	Skoglund	Tunheim	Wynia
Price	Rukavina	Solberg	Uphus	Spk. Norton
Quinn	Sarna	Sparby	Valento	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 234, A bill for an act relating to employment; establishing unpaid leave of absences for new parents; setting conditions on return from leave; creating a cause of action; prohibiting cost of parental leave from increasing unemployment insurance experience rating; amending Minnesota Statutes 1986, section 268.06, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 181.

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 97 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hartle	Lieder	Orenstein	Simoneau
Anderson, R.	Himle	Long	Osthoff	Skoglund
Battaglia	Jacobs	Marsh	Otis	Solberg
Beard	Jaros	McEachern	Pappas	Steensma
Begich	Jefferson	McKasy	Pauly	Tjornhom
Bishop	Jennings	McLaughlin	Pelowski	Tompkins
Blatz	Jensen	Milbert	Peterson	Trimble
Boo	Johnson, A.	Minne	Price	Tunheim
Brown	Johnson, R.	Morrison	Quinn	Vanasek
Carlson, L.	Kahn	Munger	Reding	Vellenga
Carruthers	Kalis	Murphy	Rest	Voss
Clark	Kelly	Nelson, C.	Rice	Wagenius
Cooper	Kinkel	Nelson, D.	Riveness	Welle
DeBlieck	Kludt	Nelson, K.	Rodosovich	Wenzel
Dille	Knickerbocker	Neuenschwander	Rukavina	Winter
Dorn	Knuth	O'Connor	Sarna	Wynia
Forsythe	Kostohryz	Ogren	Scheid	Spk. Norton
Greenfield	Krueger	Olson, S.	Schoenfeld	
Gruenes	Larsen	Olson, E.	Seaberg	
Gutknecht	Lasley	Olson, K.	Segal	

Those who voted in the negative were:

Bauerly	Bertram	Carlson, D.	Dauner	Frederick
Bennett	Burger	Clausnitzer	Dempsey	Frerichs

Haukoos	Miller	Redalen	Sparby	Valento
Heap	Omann	Richter	Stanius	Waltman
Hugoson	Onnen	Rose	Sviggum	
Johnson, V.	Ozment	Schafer	Swenson	
McDonald	Poppenhagen	Schreiber	Thiede	
McPherson	Quist	Shaver	Uphus	

The bill was passed and its title agreed to.

H. F. No. 1077, A bill for an act relating to retirement; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; amending Minnesota Statutes 1986, sections 43A.34, subdivisions 1 and 4; 181.81, subdivision 1; 181.811; 354.44, subdivision 1a; 354A.21; 422A.09, subdivision 3; and 423.076; repealing Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; and 473.419.

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

The bill was passed and its title agreed to.

H. F. No. 1159, A bill for an act relating to retirement; public pension plan or fund assets; prohibiting certain transfers or uses of

assets; proposing coding for new law in Minnesota Statutes, chapter 356.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 440, A bill for an act relating to statutes; removing certain substantive gender references in Minnesota Statutes; amending Minnesota Statutes 1986, sections 13.83, subdivision 2; 88.11, subdivision 1; 176.111, subdivisions 3, 15, and 21; 218.021, subdivision 2; 252.07; 315.44; 315.48; 353.01, subdivision 2b; 358.14; 387.15; 387.16; 540.05; 548.06; 593.01, subdivision 1; 631.412; 641.06; 641.14; and 642.08; repealing Minnesota Statutes 1986, sections 176.011, subdivision 13; 315.49; 382.17; 459.16; and 593.02.

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

The bill was passed and its title agreed to.

H. F. No. 200, 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.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Hugoson	Kostohryz	Murphy
Anderson, R.	Cooper	Jacobs	Krueger	Nelson, C.
Battaglia	Dauner	Jaros	Larsen	Nelson, D.
Bauerly	DeBlicke	Jefferson	Lasley	Nelson, K.
Beard	Dempsey	Jennings	Lieder	Neuenschwander
Begich	Dille	Jensen	Long	O'Connor
Bennett	Dorn	Johnson, A.	Marsh	Ogren
Bertram	Forsythe	Johnson, R.	McDonald	Olsen, S.
Bishop	Frederick	Johnson, V.	McEachern	Olson, E.
Blatz	Frerichs	Kahn	McKasy	Olson, K.
Boo	Greenfield	Kalis	McLaughlin	Omann
Brown	Gruenes	Kelly	McPherson	Onnen
Burger	Gutknecht	Kelso	Milbert	Orenstein
Carlson, D.	Hartle	Kinkel	Miller	Otis
Carlson, L.	Haukoos	Kludt	Minne	Ozment
Carruthers	Heap	Knickerbocker	Morrison	Pappas
Clark	Himle	Knuth	Munger	Pauly

Pelowski	Richter	Segal	Thiede	Wagenius
Peterson	Riveness	Shaver	Tjornhom	Waltman
Poppenhagen	Rodosovich	Simoneau	Tompkins	Welle
Price	Rose	Skoglund	Trimble	Wenzel
Quinn	Rukavina	Solberg	Tunheim	Winter
Quist	Sarna	Sparby	Uphus	Wynia
Redalen	Schafer	Stanisus	Valento	Spk. Norton
Reding	Schoenfeld	Steensma	Vanasek	
Rest	Schreiber	Sviggum	Vellenga	
Rice	Seaberg	Swenson	Voss	

The bill was passed and its title agreed to.

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; and 617.294.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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.

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 78 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jennings	Marsh	Pappas	Solberg
Beard	Jensen	McEachern	Peterson	Stanius
Begich	Johnson, A.	McLaughlin	Price	Swenson
Boo	Johnson, R.	Milbert	Quinn	Tjornhom
Carlson, L.	Kahn	Minne	Reding	Tompkins
Carruthers	Kalis	Munger	Rest	Trimble
Clark	Kelly	Murphy	Riveness	Vanasek
Clausnitzer	Kelso	Nelson, C.	Rodosovich	Vellenga
Cooper	Kinkel	Nelson, D.	Rose	Voss
Dorn	Kludt	Nelson, K.	Rukavina	Wagenius
Greenfield	Knuth	O'Connor	Sarna	Welle
Gruenes	Kostohryz	Ogren	Scheid	Winter
Gutknecht	Larsen	Orenstein	Segal	Wynia
Jacobs	Lasley	Osthoff	Shaver	Spk. Norton
Jaros	Lieder	Otis	Simoneau	
Jefferson	Long	Ozment	Skoglund	

Those who voted in the negative were:

Anderson, G.	Dempsey	Krueger	Onnen	Sparby
Anderson, R.	Forsythe	McDonald	Pauly	Steensma
Bauerly	Frederick	McKasy	Pelowski	Sviggunn
Bennett	Frerichs	McPherson	Poppenhagen	Thiede
Bertram	Hartle	Miller	Quist	Tunheim
Blatz	Haukoos	Morrison	Redalen	Uphus
Brown	Heap	Neuenschwander	Richter	Valento
Burger	Himle	Olsen, S.	Schafer	Waltman
Carlson, D.	Hugoson	Olson, E.	Schoenfeld	Wenzel
Dauner	Johnson, V.	Olson, K.	Schreiber	
DeBlieck	Knickerbocker	Omann	Seaberg	

The bill was passed and its title agreed to.

Segal was excused at 4:30 p.m.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Norton in the Chair for consideration of bills pending on General Orders of the day. Long 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. 404, 499, 556, 677, 772, 823, 836, 839, 924, 948, 983, 1028, 1127 and 1224 were recommended to pass.

H. F. Nos. 291, 654, 999, 1060 and 1141 were recommended for progress.

H. F. Nos. 947 and 561 were recommended for progress retaining their places on General Orders.

H. F. No. 208 was recommended for progress retaining its place on General Orders until Tuesday, April 21, 1987.

H. F. No. 189 was recommended for progress retaining its place on General Orders until Monday, April 20, 1987.

H. F. No. 704 was recommended for re-referral to the Committee on Appropriations.

H. F. No. 845 was recommended for progress until Monday, April 20, 1987.

H. F. No. 534, the first engrossment, which it recommended to pass with the following amendment offered by Nelson, D.; Vanasek; Long; Larsen; Rose and Olsen, S.:

Page 9, line 29, after the colon, insert "the name, address, and all other information that may identify an individual filing a claim;"

Page 10, delete lines 3 to 7

H. F. No. 643, the first engrossment, which it recommended to pass with the following amendment offered by Clark:

Page 5, after line 26, insert:

"Sec. 6. Minnesota Statutes 1986, section 518B.01, is amended by adding a subdivision to read:

Subd. 18. [RECORDING HEARINGS.] All hearings held pursuant to this section shall be recorded by a court reporter or by electronic recording equipment as authorized by section 484.72."

Amend the title as follows:

Page 1, line 8, after the semicolon insert "requiring recording of hearings;"

Page 1, line 10, delete "a subdivision" and insert "subdivisions"

On the motion of Vanasek the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Johnson, A., moved that the name of Scheid be added as an author on H. F. No. 283. The motion prevailed.

Marsh moved that the name of Pappas be stricken and the name of Clark be added as an author on H. F. No. 391. The motion prevailed.

Carlson, D., moved that the name of Knuth be added as an author on H. F. No. 1024. The motion prevailed.

Vellenga moved that the name of Quist be stricken and the name of Bennett be added as an author on H. F. No. 1228. The motion prevailed.

Kelly moved that the name of O'Connor be added as an author on H. F. No. 1348. The motion prevailed.

Jacobs moved that the name of Quinn be added as an author on H. F. No. 1375. The motion prevailed.

Schreiber moved that the name of Long be added as an author on H. F. No. 1562. The motion prevailed.

Otis moved that S. F. No. 296 be recalled from the Committee on Economic Development and Housing and together with H. F. No. 371, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Johnson, A., moved that H. F. No. 115 be returned to its author. The motion prevailed.

Olsen, S., and Segal introduced:

House Resolution No. 39, A House resolution congratulating the St. Louis Park High School Math Team for winning the State High School Mathematics League Tournament Championship.

The resolution was referred to the Committee on Rules and Legislative Administration.

House Concurrent Resolution No. 9 was reported to the House.

Kostohryz moved that House Concurrent Resolution No. 9 be now adopted.

HOUSE CONCURRENT RESOLUTION NO. 9

A House concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Whereas, the State of Minnesota is proud of the veterans of this nation's wars; and

Whereas, 8,800 Americans including 121 Minnesotans remain unaccounted for from the Korean conflict and 2,421 Americans including 44 Minnesotans remain unaccounted for from the Vietnam conflict; and

Whereas, the Legislature of the State of Minnesota promotes the displaying and flying of the "POW/MIA" flag as flown on the State Capitol and throughout the state; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota, the Senate concurring, that it establishes an official symbol in memory of those Americans who are missing and unaccounted for. The symbol is a "Red Ribbon" and that the Red Ribbon shall be displayed in all public buildings and other appropriate locations on the national day of recognition, designated by the Congress of the United States, Friday, September 18, 1987, and until the issue is resolved.

Be It Further Resolved that the Chief Clerk of the House and the Secretary of the Senate are directed to prepare enrolled copies of this resolution, to be authenticated by their signatures and those of the Speaker of the House and the President of the Senate and present them to representatives of the various Minnesota veterans organizations.

The motion prevailed and House Concurrent Resolution No. 9 was adopted.

Frederick moved that the rules be so far suspended that H. F. No. 1456 be recalled from the Committee on Transportation, be given its second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

The question was taken on the Frederick motion and the roll was called. There were 32 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Heap	McKasy	Quist	Tjornhom
Blatz	Himle	McPherson	Redalen	Tompkins
Clausnitzer	Hugoson	Miller	Richter	Uphus
Dempsey	Johnson, V.	Morrison	Schreiber	Valento
Frederick	Knickerbocker	Olsen, S.	Shaver	
Frerichs	Marsh	Ozment	Swenson	
Haukoos	McDonald	Poppenhagen	Thiede	

Those who voted in the negative were:

Battaglia	Gruenes	Lieder	Pappas	Sparby
Bauerly	Gutknecht	Long	Pauly	Stanisus
Beard	Hartle	McEachern	Pelowski	Steensma
Begich	Jacobs	McLaughlin	Peterson	Svigum
Bennett	Jaros	Milbert	Price	Trimble
Bertram	Jefferson	Minne	Quinn	Tunheim
Bishop	Jennings	Munger	Reding	Vanasek
Brown	Jensen	Murphy	Rest	Vellenga
Burger	Johnson, R.	Nelson, C.	Riveness	Voss
Carlson, D.	Kahn	Nelson, D.	Rodosovich	Wagenius
Carlson, L.	Kalis	Nelson, K.	Rose	Waltman
Carruthers	Kelly	O'Connor	Rukavina	Welle
Clark	Kelso	Ogren	Sarna	Wenzel
Cooper	Kinkel	Olson, E.	Schafer	Winter
Dauner	Kludt	Olson, K.	Scheid	Wynia
DeBlick	Knuth	Omann	Schoenfeld	Spk. Norton
Dille	Kostohryz	Onnen	Seaberg	
Dorn	Krueger	Orenstein	Simoneau	
Forsythe	Larsen	Osthoff	Skoglund	
Greenfield	Lasley	Otis	Solberg	

The motion did not prevail.

Quinn, Orenstein, Milbert, Clausnitzer, Stanisus, Rukavina, Beard, Osthoff, Tjornhom and Otis offered a resolution honoring Patrick Duffy Murphy, a member of the "Minnesota Golden Horses" hockey team. Stanisus moved that the resolution be printed in the Journal. The motion prevailed. Following is the resolution:

Whereas, the Minnesota Golden Horses Hockey Team had its honor, not to mention other things, on the line in its game against the Massachusetts legislative hockey team on Saturday, April 11, 1987; and

Whereas, the Golden Horses trailed 5-3 and then 5-4 as the game neared its end; and

Whereas, Patrick Duffy Murphy, the distinguished Journal Editor of the Minnesota House of Representatives, took a pass and moved in on the Massachusetts goaltender; and

Whereas, Mr. Murphy held the puck much longer than a reasonable person would have and caused much consternation among his teammates; and

Whereas, Mr. Murphy then faked the Massachusetts goaltender out of his, well, socks and backhanded the puck high into the net, thus assuring a tie for the good guys; Now, Therefore,

Be It Resolved, That the Minnesota House of Representatives recognizes and honors its Journal Editor, Patrick Duffy Murphy, and thanks him for making us look good.

ADJOURNMENT

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Tuesday, April 14, 1987.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

