

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1987

THIRTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 14, 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 Pastor Gene Hermeier, Redeemer Lutheran Church, Fridley, Minnesota.

The roll was called and the following members were present:

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	Stanius
Begich	Himle	McKasy	Peterson	Steensma
Bennett	Hugoson	McLaughlin	Poppenhagen	Sviggum
Bertram	Jacobs	McPherson	Price	Swenson
Bishop	Jaros	Milbert	Quinn	Thiede
Blatz	Jefferson	Miller	Quist	Tjornhom
Boo	Jennings	Minne	Redalen	Tompkins
Brown	Jensen	Morrison	Reding	Trimble
Burger	Johnson, A.	Munger	Rest	Tunheim
Carlson, D.	Johnson, R.	Murphy	Rice	Uphus
Carlson, L.	Johnson, V.	Nelson, C.	Richter	Valento
Carruthers	Kahn	Nelson, D.	Riveness	Vanasek
Clark	Kalis	Nelson, K.	Rodosovich	Vellenga
Clausnitzer	Kelly	Neuenschwander	Rose	Voss
Cooper	Kelso	O'Connor	Rukavina	Wagenius
Dauner	Kinkel	Ogren	Sarna	Waltman
DeBlieck	Kludt	Olsen, S.	Schafer	Welle
Dempsey	Knickerbocker	Olsen, E.	Scheid	Wenzel
Dille	Knuth	Olsen, K.	Schoenfeld	Winter
Dorn	Kostohryz	Omann	Schreiber	Wynia
Forsythe	Krueger	Onnen	Seaberg	Spk. Norton
Frerichs	Larsen	Orenstein	Segal	
Greenfield	Lasley	Osthoff	Shaver	

A quorum was present.

Frederick was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Skoglund 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. 1542, 157, 228, 809, 872, 903, 909, 945, 1046, 1145, 1230, 1260, 1263, 1319, 1327, 1376, 1397, 1425, 1439, 1507, 1521, 464, 283, 371, 774, 990, 1111, 1163, 1193, 1204, 1209, 1277, 1308, 1314, 1348, 1409, 1421, 1444, 142, 376, 462, 521, 613, 638, 706, 762, 853, 1015, 1038, 1041, 1068, 1103, 1312, 1419, 1452, 534, 643 and 969 have been placed in the members' files.

S. F. No. 296 and H. F. No. 371, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 296 be substituted for H. F. No. 371 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 7, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1, relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 4, by adding a subdivision.

H. F. No. 127, relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reim-

burse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1986, section 317.65, subdivision 7.

H. F. No. 166, relating to real property; authorizing conveyance of state interest in certain land in St. Louis county.

H. F. No. 364, relating to cemeteries; increasing the limit on the permanent care and improvement fund; amending Minnesota Statutes 1986, section 306.41.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 9, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 737, A resolution memorializing the President and Congress to prevent from taking effect the proposed Internal Revenue Service regulations that limit the lobbying activities by non-profit organizations.

H. F. No. 369, relating to human rights; changing certain requirements related to disabled persons; amending Minnesota Statutes 1986, sections 363.01, subdivision 25; 363.02, subdivision 3; and 363.03, subdivision 5.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

April 10, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> No.	<i>H.F.</i> No.	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1987</i>	<i>Date Filed</i> <i>1987</i>
	1	15	April 7, 1987	April 7, 1987
	127	16	April 7, 1987	April 7, 1987
	166	17	April 7, 1987	April 7, 1987
	364	18	April 7, 1987	April 7, 1987
97		19	April 7, 1987	April 7, 1987
137		20	April 7, 1987	April 7, 1987
306		21	April 7, 1987	April 7, 1987
529		22	April 7, 1987	April 7, 1987
653		Resolution No. 3		April 7, 1987
	737	Resolution No. 4		April 9, 1987
	369	23	April 9, 1987	April 9, 1987
117		24	April 9, 1987	April 9, 1987
245		25	April 9, 1987	April 9, 1987
499		26	April 9, 1987	April 9, 1987

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 2, A bill for an act relating to economic development; rural development; renaming and providing new powers to the

agricultural resource loan guaranty board; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; establishing the Greater Minnesota Corporation; establishing the rural development board; establishing the customized training program; establishing the Greater Minnesota Corporation; establishing the state supplemental education grant program; authorizing certain activities and requiring certain studies; appropriating money; amending Minnesota Statutes 1986, sections 11A.24, by adding a subdivision; 15.01; 41A.01; 41A.02, subdivisions 4, 5, 6, 11, and by adding a subdivision; 41A.03, subdivision 5; 41A.04; 41A.05, subdivisions 1, 3, and 5; 116J.01; 116J.03; 116J.36, subdivisions 2, 3b, and 8; 116J.37, subdivision 1; 116J.951, subdivision 2, and by adding subdivisions; 116J.955; 116J.961, subdivisions 1, 5, 6, 8, and 10; 116L.03, subdivision 2; 116M.04; 116M.06, subdivision 11; Laws 1983, chapter 334, section 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapter 116N; and repealing Minnesota Statutes 1986, sections 41A.02, subdivisions 3 and 15; and 41A.08.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 11A.24, is amended by adding a subdivision to read as follows:

Subd. 8. [GREATER MINNESOTA CORPORATION.] The state board of investment may, subject to the provisions of subdivision 3, invest in bonds or notes issued or guaranteed by the Greater Minnesota Corporation, the rural finance authority, or any other subsidiary of or entity administered by the Greater Minnesota Corporation.

Sec. 2. Minnesota Statutes 1986, section 15.01, is amended to read:

15.01 [DEPARTMENTS OF THE STATE.]

The following agencies are designated as the departments of the state government: the department of administration; the department of agriculture; the department of commerce; the department of corrections; the department of education; the department of jobs and training; the department of energy trade and economic development; the department of finance; the department of health; the department of human rights; the department of labor and industry; the department of military affairs; the department of natural resources; the department of employee relations; the department of public safety; the department of public service; the department of human services; the department of revenue; the department of transporta-

tion; the department of veterans affairs; and their successor departments.

Sec. 3. Minnesota Statutes 1986, section 41A.01, is amended to read:

41A.01 [PURPOSE.]

Sections 41A.01 to ~~41A.06~~ 41A.08 provide a framework for an agricultural resource loan guaranty development program, the purposes of which are to further the development of the state's agricultural resources and rural areas, improve the market for its agricultural products, further the promotion, attraction, encouragement, retention, and development of economically sound industry and commerce in rural areas, and promote economic development within the state. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A loan guaranty board is established to investigate the feasibility of each project, its conformity to public policy and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment. The board shall also seek to secure financial participation by private persons not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 4. Minnesota Statutes 1986, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [~~AGRICULTURAL RESOURCE LOAN GUARANTY DEVELOPMENT BOARD; BOARD.~~] "Agricultural resource loan guaranty development board" or "board" means the commissioner of finance as chair, the commissioner of agriculture, the commissioner of commerce, the commissioner of energy and economic development, and the director of the pollution control agency, the president of the Greater Minnesota Corporation and a member appointed by the Greater Minnesota Corporation board.

Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 4, is amended to read:

Subd. 4. [~~AGRICULTURAL RESOURCE LOAN GUARANTY DEVELOPMENT FUND; GUARANTY FUND.~~] "Agricultural resource loan guaranty development fund" or "guaranty fund" means the fund created by section 41A.05.

Sec. 6. Minnesota Statutes 1986, section 41A.02, subdivision 5, is amended to read:

Subd. 5. [AGRICULTURAL RESOURCE LOAN GUARANTY DEVELOPMENT PROGRAM; PROGRAM.] "Agricultural resource loan guaranty development program" or "program" includes all projects, loan guaranties and bonds approved or issued pursuant to this chapter.

Sec. 7. Minnesota Statutes 1986, section 41A.02, subdivision 6, is amended to read:

Subd. 6. [AGRICULTURAL RESOURCE PROJECT; PROJECT.] "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products; (2) buildings, equipment, and land used for the commercial production of agricultural resources; (3) a facility or portion of a facility used to commercially produce fish or fish products from commercially-produced fish; or (4) real or personal property used or useful in connection with a revenue-producing enterprise, or a combination of two or more revenue-producing enterprises engaged in a business whether or not for profit, if the properties are not located within a city of the first class.

The land in clause (2) is limited to land on which the buildings and equipment are located and immediately surrounding land used for storage, waste disposal, and other functions directly related to the commercial production of agricultural resources at a facility. The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock. For the purposes of this section, livestock does not include poultry.

A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 8. Minnesota Statutes 1986, section 41A.02, subdivision 11, is amended to read:

Subd. 11. [LENDER.] "Lender" means ~~any~~ a corporation or an investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan or a public entity, including, but not limited to, a federal or state agency, authorized to make agricultural loans.

Sec. 9. Minnesota Statutes 1986, section 41A.02, subdivision 15, is amended to read:

Subd. 15. [STATE.] "State" actions contemplated in sections 41A.01 to 41A.06 may be taken on behalf of the state by resolutions of the agricultural resource loan guaranty development board,

subject to approval by the governor if required by the governor, or by a member of the board or another state officer in the department headed by the member, pursuant to authority delegated by resolution of the board. Resolutions of the board are effective when approved by the vote of a majority of its members.

Sec. 10. [41A.021] [SUCCESSOR STATUS.]

The board is the legal successor in all respects of the agricultural resource loan guaranty board created by Laws 1984, chapter 502, article 10, as originally named and constituted and all bonds, resolutions, contracts, and liabilities of the agricultural resource loan guaranty board are the bonds, resolutions, contracts, and liabilities of the board as renamed and reconstituted.

Sec. 11. [41A.022] [POWERS.]

In addition to the other powers granted by this chapter, the board may:

- (1) sue and be sued;
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;
- (3) sell at public or private sale a note, mortgage, or other instrument or obligation evidencing a loan;
- (4) obtain insurance against any loss in connection with its property in the amounts and from the insurers the board determines to be necessary or desirable;
- (5) obtain municipal bond insurance, letters of credit, surety obligations, or other similar agreements from financial institutions;
- (6) enter into other agreements or transactions, without regard to chapter 16B, the board considers necessary or appropriate to carry out the purposes of this chapter with any federal or state agencies, political subdivisions of the state, and other persons, firms, or corporations;
- (7) establish and collect fees without regard to chapter 14 or section 16A.128;
- (8) accept appropriations, gifts, grants, and bequests;
- (9) use money received from any source for any legal purpose; and
- (10) participate in loans for agricultural resource projects in accordance with section 10.

Sec. 12. [41A.035] [LOAN PARTICIPATION.]

The board may participate in loans made to finance agricultural resource projects by purchasing from a lender up to 75 percent of the amount of an eligible loan. The loan may be for 100 percent of the cost of the project if the participation loan is in an amount of \$500,000 or less. The lender shall service the loan or cause it to be serviced in a manner that equally protects the lender's and the board's interests.

Sec. 13. Minnesota Statutes 1986, section 41A.03, subdivision 4, is amended to read:

Subd. 4. [PRINCIPAL AND INTEREST ASSISTANCE.] The state may at any time enter into a written contract with the borrower to pay the lender, on behalf of the borrower, an amount not greater than the amount of principal and interest to become due on one or more subsequent dates, without acceleration, if the state determines that (i) the borrower is not in default in payment of principal or interest due more than 60 days prior to the date of the contract; (ii) the borrower is or may become unable to meet in full principal or interest payments, or both, which are due or to become due within a specified period; (iii) it is in the public interest to permit the borrower to continue to pursue the purposes of the project; (iv) the probable net financial loss to the state will be less than that which would result in the event of a default; (v) the borrower is obligated by the contract to reimburse the state for all principal or interest advanced, with interest on those amounts, upon terms and conditions satisfactory to the state; and (vi) funds are available for allocation to the account established for the project in the guaranty agricultural development fund, and are continuously allocated to the account in accordance with the provisions of section 4, subdivision 3, in an amount equal to the amount of interest on the advances until actually reimbursed to the state by the borrower. All sums so advanced and interest on those amounts shall be secured by the mortgage lien and security interest granted by the loan agreement, but none of the advances shall thereafter be repaid to the state until and unless all principal and interest currently due on the loan has been fully paid. In the event of subsequent default by the borrower, acceleration by the lender, and payment by the state of the full amount due under the loan guaranty, the state shall be subrogated to the rights of the lender with respect to the principal paid by it under the contract. Upon payment of the loan in full, with accrued interest, the remaining amount of the advances and interest on the advances may be paid to the state.

Sec. 14. Minnesota Statutes 1986, section 41A.03, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON LIABILITY.] The liability of the state for loan guaranties or bonds authorized under this chapter is limited

to the amount of funds appropriated to the ~~guaranty~~ agricultural development fund pursuant to section 41A.06. The loan guaranties or bonds are not a general obligation or debt of the state.

Sec. 15. Minnesota Statutes 1986, section 41A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) Any applicant may file a written application with the state commissioner of energy and economic development on behalf of the board, to be considered by the ~~agricultural resource loan guaranty~~ board, for a guaranty by the state of a portion of a loan or for issuance of bonds for an agricultural resource project. In general, the application must provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application must include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

(1) a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;

(2) a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;

(3) a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;

(4) a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan or the bonds, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by the mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;

(5) an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;

(6) a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;

(7) an estimated construction schedule;

(8) an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;

(9) a description of the management experience of the borrower in organizing and undertaking similar projects;

(10) pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan or bonds and percentage of the guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the state guaranty agricultural development fund as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) additional information required by the board.

(b) The applicant shall pay upon filing of the application a fee equal to .25 percent of the amount of the loan guaranty or bond requested. The fee shall be paid to the commissioner of finance and deposited in the general fund. If the board determines not to issue a commitment for the project, the fee shall be refunded to the applicant, less the board's cost of processing, reviewing, and evaluating the application. If the board issues a commitment for the project and the application fee exceeds the board's cost of processing, reviewing, and evaluating the application, the balance shall be transferred from the general fund to the project account in the guaranty fund and credited against the amount of the commitment fee required in section 41A.03, subdivision 3, clause (j). The county or rural development finance authority may require the proposed borrower under the project to pay the application fee.

(e) If the application is made by an applicant other than the county or rural development finance authority and tax increment financing is to be used for the project, the application must include a copy of a resolution adopted by the governing body of the county or rural development finance authority in which the project is located. The resolution must authorize the use of tax increment financing for the project as required by section 41A.06, subdivision 5.

Sec. 16. Minnesota Statutes 1986, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource ~~loan guaranty development~~ fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished. The board may establish within the ~~guaranty agricultural development~~ fund reserve funds, project accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. ~~Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program~~ The board may use the fund to pay administrative costs and expenses of the program, including the personnel costs of positions in the approved complement of the department of energy and economic development serving as staff to the board.

Sec. 17. Minnesota Statutes 1986, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) ~~Subject to section 16A.80, upon application pursuant to section 41A.04,~~ The board by resolution may exercise the powers of a rural development authority under sections 362A.01 to 362A.05 and the powers of a municipality under chapter 474 for the purposes of ~~providing money to pay the costs of a project financing one or more projects,~~ including the issuance of bonds and the ~~loan application of the bond proceeds and investment income pursuant to a lease, loan, loan guaranty, loan participation,~~ or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. Sections 16A.80 and ~~474.23~~ 474.01, subdivisions 7 and 8, do not apply to the bonds.

Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be

deposited and held in a separate account in the guaranty agricultural development fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the guaranty agricultural development fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the guaranty agricultural development fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) The issuance of bonds pursuant to this subdivision is subject to sections ~~474.18 to 474.25~~ 474A.11 and 474A.13. For purposes of sections ~~474.16~~ 474A.01 to 474.20 474A.21, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another issuer.

Sec. 18. Minnesota Statutes 1986, section 41A.05, subdivision 3, is amended to read:

Subd. 3. [COVENANT.] In fulfillment of the state's covenant with the beneficiary of each loan guaranty executed by the board on behalf of the state pursuant to the agricultural resource loan guaranty development program, in accordance with section 41A.04, subdivision 3, the state will not limit or alter the rights vested in the board to comply with the terms of the loan guaranties.

Sec. 19. Minnesota Statutes 1986, section 41A.05, subdivision 5, is amended to read:

Subd. 5. [GUARANTY AGRICULTURAL DEVELOPMENT FUND; REDUCTION.] Amounts in the guaranty agricultural development fund may be transferred to the general fund if the remaining amount in the fund exceeds the principal amount and one year's interest on the outstanding bonds and the guaranteed portion of outstanding guaranteed loans.

Sec. 20. Minnesota Statutes 1986, section 41A.06, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION.] The payments, taxes, and governmental charges described in this section which are received as a consequence of the undertaking, completion, and operation of each agricultural resource ~~loan~~ project for which a loan guaranty is made by the state are appropriated to the ~~loan guaranty~~ agricultural development fund. This appropriation shall not lapse at the close of any fiscal year under the provisions of section 16A.28, and the receipts from the appropriation shall remain available as provided in section 41A.05, subdivision 1. The state is not obligated, however, to continue the appropriation with respect to charges not yet collected, except to the extent determined to be necessary for compliance with the terms of the loan guaranty agreement.

Sec. 21. Minnesota Statutes 1986, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. All revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund. All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the agricultural resource ~~loan guaranty~~ development fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the ~~loan guaranty~~ agricultural development fund shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

Sec. 22. [84.96] [MINERAL RESOURCES PROGRAM.]

Subdivision 1. [FINDINGS.] The legislature finds that there has been a withdrawal of investment in mineral and timber resources of the state. To provide a diversified economic base in the state, it is necessary to stimulate investment in the state's natural resources. Mineral exploration by the private sector must be encouraged. The long-term health of the state will be aided by a diverse state economy that includes productive natural resource industries. A forestry management plan has been mandated to improve the use of forestry resources. Benefits from the state's mineral resources will be realized through a program coordinated by the department of natural resources to accelerate geologic mapping and mineral deposit evaluation and to provide analytical support to the mineral and timber industries.

Subd. 2. [PROGRAM.] The commissioner of natural resources shall coordinate a program, in cooperation with the Minnesota geological survey, the Minnesota resources research center, the natural resources research institute, and other available facilities, to:

- (1) accelerate geological mapping of the state;
- (2) accelerate evaluation of the state's mineral potential and other natural resources; and
- (3) provide analytical support for participants in the mineral industry.

Sec. 23. [93.001] [POLICY FOR MINERAL DEVELOPMENT.]

It is the policy of the state to provide a long-term commitment to mineral exploration evaluation, development, production, and commercialization to provide a diversified mineral economy in the state.

Sec. 24. [93.002] [MINERAL COORDINATING COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The mineral coordinating committee is established to provide planning and assistance for diversified mineral development. The mineral coordinating committee consists of the director of the minerals division of the department of natural resources, the director of the Minnesota geological survey, the director of the University of Minnesota mineral resources research center, and the assistant director of the minerals division of the natural resources research institute. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place.

Subd. 2. [MINERAL DIVERSIFICATION PLAN.] The mineral coordinating committee shall prepare and adopt a ten-year plan for mineral diversification. The plan must:

- (1) increase the knowledge of the state's mineral potential;
- (2) stimulate the development of mineral resources in the state;
- (3) provide for basic minerals research; and
- (4) prioritize minerals programs under subdivision 3.

Subd. 3. [MINERALS PROGRAMS.] The mineral diversification plan must consider at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals data base, drill core examination and assay, indus-

trial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, reclamation studies, economic evaluation of mineral resources, improved geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals research, evaluation of mineral resource occurrence, evaluation of value-added processes, ore deposit modeling, and basic mineral research.

Subd. 4. [SUBMISSION OF PLAN AND FUNDING PRIORITIES.] (a) The minerals coordinating committee shall submit the minerals diversification plan to the legislature by December 31, 1987.

(b) In the first year of each biennium, the minerals coordinating committee shall submit recommendations for funding priorities of the minerals diversification plan to the chairs of the house appropriations and environment and natural resources committee and the chairs of the senate finance and environment and natural resources committee.

Subd. 5. [AMENDMENTS AND TEMPORARY PLANS.] The minerals coordinating committee may amend the minerals diversification plan or adopt temporary priority plans for spending on minerals programs.

Sec. 25. Minnesota Statutes 1986, section 116J.01, is amended to read:

116J.01 [DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT.]

Subdivision 1. [APPOINTMENT.] The department of energy trade and economic development shall be supervised and controlled by the commissioner of energy and economic development, who shall be appointed by the governor and serve under the provisions of section 15.06.

Subd. 2. [CONFIDENTIAL SECRETARY.] The commissioner may appoint a confidential secretary in the unclassified service.

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. The department shall be organized into ~~four~~ five divisions, which shall be designated the energy Minnesota office of trade division, the community development division, the economic development division, the policy analysis division, and the financial management division; and the office of tourism. Each division and office is responsible for administering the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the commissioner may establish and revise the assignments of

each division and office. Each division shall be under the direction of a deputy commissioner in the unclassified service. The office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism.

Sec. 26. Minnesota Statutes 1986, section 116J.03, is amended to read:

116J.03 [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in chapter 116J, the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of energy trade and economic development.

Subd. 3. [DEPARTMENT.] "Department" means the department of energy trade and economic development.

Sec. 27. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds that state programs directed to address community and economic development needs have been implemented in a diverse, fragmented, and inefficient manner. It is therefore in the public interest of the state to develop a comprehensive and integrated approach to administering and coordinating community development programs. The community development division in the department of trade and economic development will address these issues by building a community development framework using a community-based approach.

Subd. 2. [DUTIES.] The community development division shall:

(1) be responsible for administering and staffing all state community development and assistance programs including the economic recovery fund and the outdoor recreation grant program;

(2) be the division responsible for state administration of federally funded community development and assistance programs including the small cities development grant program and land and water conservation program;

(3) be responsible for state administration of the regional development commissions;

(4) provide technical assistance to rural communities in the area of community development;

(5) coordinate the development and review of state agency rural development policies in cooperation with regional development commissions;

(6) provide staff and consultant services to the rural development board; and

(7) be responsible for coordinating community assistance and development programs in cooperation with regional development commissions.

Sec. 28. [116J.8741] [RURAL DEVELOPMENT BOARD.]

Subdivision 1. [CREATION.] The legislature finds that it is in the public interest to coordinate and encourage community and economic development in the rural areas of the state. The rural development board is created to assist in developing a strategy for promoting rural development in the state.

Subd. 2. [MEMBERSHIP.] The board consists of the commissioner of trade and economic development; the commissioner of jobs and training; the commissioner of agriculture; the president of the Greater Minnesota Corporation board; the chair of the Minnesota association of counties; the chair of the Minnesota association of townships; the president of the league of Minnesota cities; the chair of the association of regional development commissions; the state director of vocational technical education; the chancellor of the state university board; the chancellor of the state board of community colleges; and the president of the University of Minnesota. The governor shall appoint five additional members from the general public to the board. Two of the public members must be members of farm organizations. One public member must represent the interests of business and one public member must represent the interests of organized labor. The governor shall take geographic interests and representation into account in the selection of public board members.

Subd. 3. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Subd. 4. [CHAIR; OTHER OFFICERS.] The commissioner of trade and economic development shall serve as chair of the board. The board may elect other officers as is necessary from its members.

Subd. 5. [ADVISORY TASK FORCES; COMMITTEES.] The board may establish advisory task forces or committees to advise or assist the board in identifying and working with rural development issues. Persons on a task force or committee may not receive per diem but may be reimbursed for expenses.

Subd. 6. [STAFF; EXPENSES.] The department of trade and economic development shall provide staff, consultant support, materials, and administrative services necessary to the board's activities. The commissioner shall pay for the expenses of the board.

Subd. 7. [DUTIES.] The board has the following duties:

(a) The board, with the assistance of department staff, shall investigate and evaluate new methods to enhance rural development, particularly relating to economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing.

(b) The board shall review and comment on the mineral resources program to the department of natural resources.

(c) The board shall review the services provided by state agencies, including the post-secondary education systems, to rural businesses and communities and make recommendations to the agency and the legislature that would enhance those services.

(d) The board shall prepare, with the assistance of department staff and other state agency staff, the rural investment guide required by subdivision 8.

(e) The board shall submit an annual report to the legislature by January 31 of each year. The report shall include a review of rural development in the state, an evaluation of rural development initiatives, and recommendations concerning state support for rural development.

Subd. 8. [RURAL INVESTMENT GUIDE.] The board shall prepare and adopt, after appropriate study and public hearings as necessary, a comprehensive rural investment guide for the state, consisting of policy statements, objectives, standards, and program criteria to guide state agencies in the creation and implementation of programs relating to rural development. The guide must recognize and encompass both the community and economic needs and resources of rural Minnesota and provide a plan to coordinate and allocate public and private resources to the rural areas of the state.

Sec. 29. [116J.8742] [MAIN STREET PROGRAM.]

The commissioner shall develop and administer a main street program to assist cities in the revitalization of their businesses. The purpose of the program is to strengthen local organization and local management of business districts so that cities become more self-reliant and not dependent on future state financial assistance. The

staff dedicated for this program shall assist cities that request assistance in the following manner:

(1) improving the organization of the business district including the leadership skills of business owners and city officials;

(2) establishing a marketing strategy to promote the business district to residents of the surrounding trade area;

(3) providing technical assistance in the design and rehabilitation of buildings in the business district including historic preservation; and

(4) establishing a strategy to strengthen existing businesses, recruit new businesses, diversify the mix of businesses, and develop vacant property in the business district.

Sec. 30. Minnesota Statutes 1986, section 116J.951, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of energy trade and economic development.

Sec. 31. Minnesota Statutes 1986, section 116J.951, is amended by adding a subdivision:

Subd. 5. [BOARD.] "Board" means the board of the Greater Minnesota Corporation created in section 45.

Sec. 32. Minnesota Statutes 1986, section 116J.951, is amended by adding a subdivision:

Subd. 6. [PRESIDENT.] "President" means the president of the Greater Minnesota Corporation.

Sec. 33. Minnesota Statutes 1986, section 116J.955, is amended to read:

116J.955 [RURAL REHABILITATION REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. ~~The principal amount of the rural rehabilitation revolving fund, \$9,300,000, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.~~

Subd. 2. [EXPENDITURE OF INVESTMENT INCOME FUND.] ~~The commissioner board may only use the income from the investment of the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under section 116J.961, subdivision 8. Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture.~~

Subd. 3. [TRANSFER OF AUTHORIZED RECORDS TO COMMISSIONER BOARD.] ~~The authority, assets, books, and records held by the Minnesota rural rehabilitation corporation and later by the state executive council under Public Law Number 499, 81st Congress, May 3, 1950, is transferred to the commissioner.~~

Sec. 34. Minnesota Statutes 1986, section 116J.961, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] ~~The governor's rural development council is established in the department of energy and economic development Greater Minnesota Corporation. The council shall consist of one representative from each of the state's development regions, including the seven-county metropolitan area, and the commissioner president.~~

Sec. 35. Minnesota Statutes 1986, section 116J.961, subdivision 5, is amended to read:

Subd. 5. [COUNCIL STAFF.] (a) ~~The commissioner board shall employ, with the concurrence of the council, an executive director staff experienced in public administration and rural development issues. The executive director is not a member of the council, but president and corporation staff shall perform duties the council may require in carrying out its responsibilities. The executive director's position is in the unclassified service.~~

(b) ~~The commissioner shall employ professional staff, clerical help, and other necessary employees upon the recommendation of the council and the executive director. Support staff shall serve in the classified civil service. The commissioner corporation shall also provide materials and administrative help necessary for the council's activities including personnel, budget, payroll, and contract administration.~~

Sec. 36. Minnesota Statutes 1986, section 116J.961, subdivision 6, is amended to read:

Subd. 6. [EXPENSES OF COUNCIL.] The ~~commissioner corporation~~ shall pay for the expenses of the council, the council staff, and the council's programs from the appropriation under section 116J.955, subdivision 1.

Sec. 37. Minnesota Statutes 1986, section 116J.961, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATION OF ANNUAL INVESTMENT INCOME FROM THE RURAL REHABILITATION REVOLVING FUND.] (a) The council shall administer the rural rehabilitation revolving fund by:

(1) administering a rural development grant program including the establishment of grant eligibility criteria, solicitation and review of grant applications, and determination of projects to be funded;

(2) developing priorities for state projects and activities related to rural development;

(3) providing technical help and rural development information services to state agencies, regional agencies, special districts, local governments, and interested citizens;

(4) preparing an annual budget and work program, and a biennial budget;

(5) preparing an annual report for the state office of the farmers home administration, United States Department of Agriculture outlining program activities and expenditures from the trust fund; and

(6) reporting to the house agriculture and senate agriculture and natural resources committees by January 31 of each year on the grants, projects, and activities of the council.

(b) The ~~commissioner corporation~~ shall make agreements or contracts to distribute grant funds to projects selected by the council.

Sec. 38. Minnesota Statutes 1986, section 116J.961, subdivision 10, is amended to read:

Subd. 10. [BUDGET.] The ~~commissioner corporation's board~~ shall review and approve a biennial budget prepared by the council and submit it to the governor and the legislature for approval as part of the biennial budget process.

Sec. 39. Minnesota Statutes 1986, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] Members shall be appointed as follows: four members appointed by the speaker of the house; one member appointed by the minority leader of the house; four members appointed by the majority leader of the senate; one member appointed by the minority leader of the senate; eight members appointed by the governor; and the ~~commissioners of the departments~~ commissioner of energy trade and economic development, education, and jobs and training ~~the commissioner of jobs and training, and the state director of vocational technical education.~~

Sec. 40. [116L.06] [CUSTOMIZED RURAL TRAINING PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "low-income" means equal to or below the nonmetropolitan median household income. "Principally" means at least 51 percent.

Subd. 2. [TRAINING PROGRAM.] The partnership may provide grants to educational or other nonprofit institutions for customized training for new or expanding businesses located outside of the metropolitan area defined in section 473F.02, subdivision 2. Grants may only be awarded for training projects designed to principally benefit low-income persons. The partnership shall use the criteria and guidelines specified under sections 116L.02 and 116L.04 to establish and administer the program.

Subd. 3. [NEW BUSINESS SET-ASIDE.] The partnership may set aside up to 50 percent of the amount available for the rural customized training program to provide customized training grants for new businesses locating in rural Minnesota. A set-aside grant may not be made for a business located within the state that relocates to rural Minnesota. The partnership shall use the guidelines specified under section 116L.04 to establish and administer the program, except that a committee consisting of the commissioner of trade and economic development, the chair of the Minnesota job skills partnership board, and the state director of vocational technical education may give final approval for training applications by a majority vote of the committee. Any amount left in the set-aside program at the end of the 1988 fiscal year may be used for the rural customized training program established in subdivision 2.

Sec. 41. Minnesota Statutes 1986, section 116M.04, is amended to read:

116M.04 [COMMUNITY DEVELOPMENT CORPORATIONS.]

Subdivision 1. For the purposes of this section, the following terms shall have the meanings given them:

Subd. 1a. "Authority" "Commissioner" means the energy commissioner of trade and economic development authority, formerly known as the small business finance agency.

Subd. 2. "Economic development region" means an area so designated in the governor's executive order number 60, dated June 12, 1970, as amended.

Subd. 3. "Federal poverty level" means the income level established by the United States Community Services Administration in Code of Federal Regulations, title 45, section 1060.2-2.

Subd. 4. "Low income" means an annual income below the federal poverty level.

Subd. 5. The authority commissioner shall administer this section and shall enforce the rules related to the community development corporations promulgated by the authority. The authority commissioner may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.

Subd. 6. The authority commissioner shall designate a community development corporation as eligible to receive grants pursuant to this section if the corporation:

(a) Is a nonprofit corporation incorporated under chapter 317 or a federally recognized American Indian tribal government;

(b) Designates in its articles of incorporation or bylaws or a tribal constitution a specific geographic community within which it will operate. At least ten percent of the population within the designated community must have low income. Within the metropolitan area as defined in section 473.121, subdivision 2, a designated community shall be an identifiable neighborhood, or a combination of neighborhoods or home rule charter or statutory cities, townships, unincorporated areas or combinations thereof. Outstate designated communities shall to the extent possible not cross existing economic development boundaries;

(c) Limits voting membership to residents of the designated community;

(d) Has a board of directors with 15 to 30 members, unless the corporation can demonstrate to the authority that a smaller or larger board is more advantageous. At least 40 percent of the directors shall have incomes that do not exceed 80 percent of the county median family income and are not greater than 80 percent of the statewide median family income, as determined by the state demographer, and the remaining directors shall be members of the business or financial community and the community at large. At

least 60 percent of the directors shall be residents of the designated community, and to the greatest extent possible directors shall be residents of the designated community. The directors who must meet the income limitations of this paragraph shall be elected by the members of the corporation, and the remaining directors may be elected by the members of the corporation or selected by the directors who must meet the income limitations of this paragraph; **and**

(e) Hires low income residents of the designated community to fill nonmanagerial and nonprofessional positions; **and**

(f) Demonstrates that it has or will have the technical skills to analyze projects, is familiar with other available public and private funding sources and economic development programs, and has the capability to package economic development projects.

Subd. 7. The authority commissioner shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community.

Subd. 8. The authority commissioner may approve a grant to a community development corporation for planning, including organization of the corporation, training of the directors, creation of a comprehensive community economic development plan, and development of a proposal for a venture grant, or for establishment of a business venture, including assistance to an existing business venture, purchase of partial or full ownership of a business venture, or development of resources or facilities necessary for the establishment of a business venture.

Subd. 8a. The energy and economic development authority commissioner shall be named as an assignee of the rights of a state-funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights shall provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state-funded community development corporation, any assigned money paid to the energy and economic development authority commissioner shall be deposited into the economic development fund to be used for the purposes as set out in this chapter general fund.

Subd. 9. Factors considered by the authority commissioner in approving a grant to a community development corporation should include the creation of employment opportunities, the maximization

of profit and the effect on securing money from sources other than the state.

Subd. 10. Grants under this section shall not be available for programs conducted by churches or religious organizations or for securing or developing social services.

Subd. 11. A person shall not be excluded from participation in a program funded pursuant to this section because of race, color, religion, sex, age or national origin.

Sec. 42. [116N.01] [CITATION.]

Sections 42 to 57 may be cited as the "Greater Minnesota Corporation act."

Sec. 43. [116N.02] [PURPOSE.]

It is the intent of this legislation to ensure the development of new products, processes, and services that have the potential to contribute to the state's economy, particularly in nonmetropolitan areas. For these purposes, the Greater Minnesota Corporation is established to foster economic growth in Minnesota through cooperative research and development and investments in new products and businesses. It is the intention of the legislature to create the Greater Minnesota Corporation as a public corporation.

Sec. 44. [116N.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to chapter 116N.

Subd. 2. [AUTHORITY.] "Authority" means the rural finance authority established in section 49.

Subd. 3. [CORPORATION.] "Corporation" means the Greater Minnesota Corporation.

Subd. 4. [CORPORATION BOARD.] "Corporation Board" means the board of directors of the Greater Minnesota Corporation.

Subd. 5. [FINANCIAL INSTITUTION.] "Financial institution" means a bank, bank or trust company, trust company, mortgage company, credit union, mortgage banker, national banking association, savings bank, savings association, savings and loan association, building and loan association, insurance company, securities broker-dealer, financial organizations relating to commercial credit or venture capital, or a lender certified by the secretary of housing and urban development or by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home

administration or any other financial or lending institution, whether organized under federal law or the laws of any state of the United States, and whether located within or without this state.

Subd. 6. [FUND.] "Fund" means the greater Minnesota fund established by section 55.

Subd. 7. [GREATER MINNESOTA.] "Greater Minnesota" means the area of the state not included in the definition of area in section 473F.02, subdivision 2.

Subd. 8. [INSTITUTE.] "Institute" means a regional research institute created in section 50.

Subd. 9. [PROJECT.] "Project" means any undertaking involving real or personal property connected with or a part of an industrial, agricultural processing, distribution, manufacturing, or research facility that is to be acquired, constructed, improved, or equipped with assistance furnished under the authority of sections 42 to 57, or any combination of them.

Subd. 10. [TARGETED URBAN AREA.] "Targeted urban area" means an area of one or more census tracts within a city of the first class not located in greater Minnesota that meets two of the following three requirements:

(a) The area had an unemployment rate that was twice the unemployment rate for the standard metropolitan statistical area that the city of the first class is part of as determined by the 1980 federal decennial census.

(b) The median household income in the area was equal to or less than 50 percent of the median household income for the standard metropolitan statistical area that the city of the first class is part of as determined by the 1980 federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if (1) 25 percent or more of the residential dwelling units are in substandard condition as determined by the city; or (2) 70 percent or more of the residential dwelling units in the area were built prior to 1940 as determined by the 1980 federal decennial census.

Sec. 45. [116N.04] [CORPORATION CREATED; BOARD OF DIRECTORS; PURPOSE AND DUTY.]

Subdivision 1. [CREATION; NAME.] The Greater Minnesota Corporation is created as a public corporation. The corporation is not a state agency under chapters 14, 15, or for any other purpose. All business of the corporation must be conducted under its name.

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a corporation board of 11 directors appointed by the governor to six-year terms. The governor shall make the initial appointments. As the terms of the initial appointees expire, appointments must be made by the board. The board may determine the compensation of its members. Directors shall be considered public officials for the purposes of section 10A.07.

Subd. 3. [INTEREST IN CONTRACT; PENALTY.] A director, employee, or officer of the corporation, subsidiary of the corporation or an organization selected under section 48 who is authorized by the corporation to take part in any manner in making any sale, lease, or contract in their official capacity are "public officers" for the purpose of section 471.87.

Subd. 4. [CONTRIBUTIONS TO PUBLIC OFFICIALS; DISCLOSURE.] Each director shall, when appointed, file a statement with the ethical practices board disclosing the nature, amount, date, and recipient of any contribution made to a public official, political committee, political fund, or political party, as defined in chapter 10A, that:

(1) was made within the four years preceding appointment to the Greater Minnesota board; and

(2) was subject to the reporting requirements of chapter 10A.

The statement must be updated quarterly during the director's term to reflect contributions made to public officials during the appointed director's tenure.

Subd. 5. [ARTICLES AND BYLAWS.] The corporation board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation consistent with the provisions of this chapter. The articles and bylaws must be filed with the secretary of state.

Subd. 6. [PLACES OF BUSINESS.] The corporation board shall locate and maintain the corporation's places of business within the state.

Subd. 7. [MEETINGS AND ACTIONS OF THE BOARD.] The corporation board shall meet at least twice a year and may hold additional meetings upon giving whatever notice the bylaws of the corporation might provide. Meetings of the corporation board, institute boards, the governor's council on rural development, the rural finance authority, and the research advisory board are subject to the provisions in section 471.705 except when information or data described in subdivision 8 is discussed.

Subd. 8. [APPLICATION AND INVESTIGATIVE DATA.] The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:

(1) financial data, statistics, and information furnished in connection with assistance or proposed assistance under sections 42 to 57, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records;

(2) correspondence between members of the corporation board authority or employees of the corporation and applicants or other persons or entities regarding assistance or proposed assistance, and any investigative data obtained by the corporation board or authority, or employees of the corporation in relation to the assistance under sections 42 to 57;

(3) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the corporation board authority, or employees of the corporation pursuant to sections 42 to 57.

Sec. 46. [116N.05] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] The corporation board shall appoint and set the compensation for a president and may appoint subordinate officers. The corporation board may designate the president as its general agent. Subject to the control of the corporation board, the president shall employ employees and agents as the president deems necessary. The staff of the corporation must include individuals knowledgeable in commercial and industrial financing, research and development, economic development, and general fiscal affairs. The corporation board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the corporation board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Subd. 3. [CONTRIBUTIONS TO PUBLIC OFFICIALS; DISCLOSURE.] The president shall, when employed, file a statement with the ethical practices board disclosing the nature, amount, date, and recipient of any contribution made to a public official which:

(1) was made within the four years preceding employment with the Greater Minnesota board; and

(2) was subject to the reporting requirements of chapter 10A.

The statement must be updated quarterly during the president's employment to reflect contributions made to public officials during the president's tenure.

Sec. 47. [116N.06] [CORPORATE POWERS.]

Subdivision 1. [BOARD POWERS.] The corporation board shall have all powers necessary to accomplish the purposes of sections 42 to 57 including, but not limited to, the power to:

(1) sue, and be sued;

(2) have a seal and alter it at will;

(3) make and alter bylaws for its organization and internal management and, subject to agreements with noteholders or bondholders, to establish standards and policies with respect to its projects, operations, properties, and facilities;

(4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;

(5) engage the service of legal, financial, technical, and other professionals;

(6) acquire and dispose of personal property, including intellectual property, royalties, stock, and stock warrants;

(7) acquire and dispose of real property or an interest in real property;

(8) obtain insurance;

(9) consent to the modification of a contract or agreement to which the corporation is a party;

(10) develop, buy, and possess financial and technical information, including credit reports and financial statements;

(11) sell, at public or private sale, a note, mortgage, or other instrument or obligation;

(12) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the corporation, or an account created by the corporation for that purpose;

(13) to acquire, construct, reconstruct, rehabilitate, improve, alter, repair, or provide for the construction, reconstruction, improvement, alteration, or repair of any project;

(14) to grant options to purchase any project or to renew any leases entered into by it in connection with any of its projects, on the terms and conditions it may deem advisable;

(15) to lend money, whether secured or unsecured; make grants; guarantee loans; purchase loan packages; purchase, sell, or pledge shares, bonds, or other obligations, or securities; and provide and commit to provide mortgage insurance on terms and conditions the corporation board or its designee may deem advisable;

(16) in connection with any property on which it has made a mortgage loan, to foreclose on the property, or commence an action to protect or enforce a right conferred upon it by a law, mortgage, contract, or other agreement, and to bid for and purchase the property at a foreclosure or other sale, or acquire or take possession of the property; and then complete, administer, pay the principal of and interest on any obligations incurred in connection with the property, dispose of, and otherwise deal with the property, as desirable to protect the interests of the corporation in it;

(17) acquire an interest in a product or a private business;

(18) provide advisory, consultative, training and educational services, technical assistance, and advice to a person, firm, partnership, or corporation, either public or private, or a community, in order to carry out the purposes of sections 42 to 57 and may charge fees for this service or assistance;

(19) receive payments in the form of royalties, dividends, or other proceeds in connection with the ownership, license, or leave of products or businesses;

(20) solicit and obtain private capital to carry out the purposes of sections 42 to 57;

(21) accept gifts, grants, and bequests and use or dispose of them for its purposes; and

(22) spend money from the Greater Minnesota fund and other money appropriated for purposes including expenses, for (i) the food, lodging, and travel of consultants and speakers hired by the board; and (ii) publications, advertising, and promotional activities for its projects, operations, properties, and facilities.

Subd. 2. [DESIGNATED POWERS.] The board may designate any of the powers granted in subdivision 1 to the rural finance authority

established in section 49, or the individual research institution boards established in section 50.

Sec. 48. [116N.07] [CHALLENGE GRANT PROGRAM.]

Subdivision 1. [ORGANIZATION.] The challenge grant program shall provide challenge grants to regional organizations selected by the corporation board under subdivision 4 to encourage private investment, provide jobs for low-income persons, and promote economic development in the rural areas of the state. The corporation board shall establish the program as provided in this section.

Subd. 2. [FUNDING REGIONS.] The corporation board shall divide greater Minnesota into six regions. The regions' boundaries must be coterminous with the boundaries of one or more of the development regions.

Subd. 3. [CHALLENGE GRANT PROGRAM ADMINISTRATION.] The corporation board shall establish a challenge grant account for each of the six regions. The corporation board shall designate up to \$..... for each challenge grant account, to be awarded over a period of three years. Challenge grant funds must be used for revolving loans and equity investments authorized under this section. The corporation board shall select nonprofit corporations to administer the challenge grant programs using the selection criteria in subdivision 4.

Subd. 4. [SELECTION OF ORGANIZATION TO ADMINISTER CHALLENGE GRANT PROGRAM.] The corporation board shall select at least one organization for each region to be responsible for administering the challenge grant programs and shall enter into grant agreements with the organizations. An organization is eligible to administer a challenge grant program if it is a nonprofit corporation and it can demonstrate that:

(1) its board of directors contains citizens experienced in rural development and representatives from the different geographic areas in the challenge grant program region, including the regional development commissions;

(2) it has the technical skills to analyze projects;

(3) it is familiar with other available public and private funding sources and economic development programs;

(4) it has the capability to package economic development projects; and

(5) it has the capability to establish and administer a revolving loan program.

Subd. 5. [REVOLVING LOAN FUND.] Each organization responsible for administering a challenge grant program shall provide loans from the challenge grant account to businesses in rural Minnesota to promote economic development in areas including technologically innovative industries, value added manufacturing, agriprocessing, information industries, and agricultural marketing. Each organization shall establish a regional revolving loan fund certified by the board, and shall process loan applications as provided in subdivision 6. The amount of state money allocated for each revolving loan is appropriated from the appropriate challenge grant account to the organization's regional revolving loan fund when the organization's board gives final approval for each loan.

Subd. 6. [LOAN CRITERIA AND PRIORITY.] (a) In processing a loan application, an organization responsible for administering a challenge grant program shall give priority to proposed borrowers who are not likely to undertake the project without assistance from the challenge grant program. Loans must be used for projects designed to principally benefit low-income persons through the creation of job opportunities for such persons. Loans may be used for capital assets and working capital. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan. The minimum revolving loan is \$5,000 and the maximum is \$100,000. The amount of state money appropriated from the challenge grant fund may not exceed 50 percent for each revolving loan. The amount of nonpublic money must equal at least 50 percent for each revolving loan. With the approval of the corporation board, a revolving loan may be used to provide up to 50 percent of the private investment required to qualify for grants from the economic recovery fund. A revolving loan may not exceed 25 percent of the total project cost of an individual project. A revolving loan may not be used for a retail development project.

(b) The corporation board shall establish a minimum interest rate for revolving loans to ensure that necessary management costs are covered.

(c) Money repaid to the challenge grant program must remain in the regional revolving loan fund for further distribution by the organization responsible for administering the challenge grant program.

(d) Administrative expenses must be paid out of the interest earned on revolving loans or from fees that the organizations may charge to businesses applying for loans.

(e) A business applying for a loan must be sponsored by a resolution of the governing body of the local government unit having jurisdiction over the area within which the project is located. For the

purposes of this subdivision, "local government unit" means a home rule charter or statutory city when the project is located in an incorporated area and a county when the project is located in an unincorporated area.

Subd. 7. [EQUITY INVESTMENTS.] The corporation board may allow a specific amount of the challenge grant account designated to each region to be used for the purpose of acquiring equity interests in new or existing businesses located in rural Minnesota. The organizations responsible for administering challenge grant programs may acquire equity investments in new or expanding businesses located in rural Minnesota. The organizations may also invest in qualified regional investment organizations. A qualified regional investment organization is a corporation or fund organized and located within the designated region which conducts a lending and investment program consistent with the goals of the challenge grant program.

Subd. 8. [DUTIES OF CHALLENGE GRANT ADMINISTRATION ORGANIZATION.] The organization responsible for administering a challenge grant program may contract with other regional development authorities to carry out all or part of its duties. The organization shall:

(1) submit an annual report to the corporation board, the governor, and the legislature by February 15 of each year that includes, at least, a description of projects supported by the program, an account of all loans made during the calendar year, the source and amount of all money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the corporation board.

Sec. 49. [116N.08] [RURAL FINANCE AUTHORITY.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The rural finance authority is created to provide financial assistance to individuals and businesses on behalf of the corporation.

Subd. 2. [APPOINTMENT.] The authority shall have 11 members. The president of the corporation and two members of the board shall serve on the authority. Eight members shall be appointed by the corporation board. Members of the authority should have extensive experience in business development, finance, banking, or venture capital. Terms and removal of members of the authority shall be set by the corporation board. Members of the authority shall serve without compensation but shall receive their necessary and actual expenses while engaged in the business of the corporation. Members

of the authority shall be considered public officials for the purposes of section 10A.07.

Subd. 3. [STAFFING.] The corporation may provide staff to assist the authority in carrying out its duties. The corporation may contract with an individual or for-profit or nonprofit organization to provide staff to the authority.

Subd. 4. [FINANCIAL ASSISTANCE.] The authority may provide financial assistance from the fund to individuals, businesses, and profit or nonprofit organizations. Financial assistance includes, but is not limited to, loan guarantees or insurance, direct loans, grants, interest subsidy payments, participation in loan packages, and equity financing.

Subd. 5. [STANDARDS.] The corporation board may establish minimum interest rates, security requirements, restrictions on the amount of authority financial participation in a project, and other standards and restrictions that the authority must follow in providing financial assistance.

Subd. 6. [PREFERENCE.] In providing financial assistance, the authority must give preference to individuals, businesses, or organizations that are starting or expanding their operations in greater Minnesota, targeted urban areas, and enterprise zones selected under section 273.1314 that are located in cities of the first class not located in greater Minnesota.

Sec. 50. [116N.09] [REGIONAL RESEARCH INSTITUTES.]

Subdivision 1. [ESTABLISHMENT.] The corporation board may establish up to four regional research institutes in greater Minnesota. Each institute shall be located adjacent to or near a public post-secondary education institution. The corporation board shall take into consideration how the location and focus of each institute will best utilize a region's resources and assist the region's businesses.

Subd. 2. [PURPOSE.] The purpose of the institutes is to provide applied research and development services to individuals, businesses, and for-profit or nonprofit organizations for the purposes of developing the region's economy through the utilization of the region's resources and through the development of technology in the region. Research and development services may include on-site research, product development grants, testing of production techniques and product quality, marketing and business management assistance, and feasibility studies.

Subd. 3. [INSTITUTE BOARD.] Each regional research institute is administered by a nine member institute board. The board for each institute consists of one Greater Minnesota Corporation board

member, the president of the corporation, two representatives of public post-secondary institutions in the area surrounding the institute, and five public members appointed by the corporation board. Each institute board shall elect a chairman and other board officers as it deems fit from its membership.

Subd. 4. [INSTITUTE ADMINISTRATION.] The board for each regional research institute must appoint an institute director to manage the operation of the institute. An institute board may contract with post-secondary education governing boards for research services of post-secondary institution staff, facilities, or equipment. The director may directly hire staff for the institutes.

Subd. 5. [RESEARCH CONTRACTS.] The board of each institute may enter into contracts with individuals, businesses, and organizations to provide research and development assistance at institute facilities or at other sites where appropriate. The corporation board is to establish contract guidelines.

Subd. 6. [PRODUCT DEVELOPMENT GRANTS.] The board of each institute may provide product development grants to those individuals, businesses, or organizations that, without financial assistance, would not be able to undertake the development of a product or technology-related service. The corporation board is to establish criteria for determining what individuals, businesses, or organizations are eligible to receive product development grants.

Subd. 7. [DESIGNATED RESEARCH INSTITUTES.] The agricultural utilization research institute established in section 51 and the natural resources research institute are designated as two of the regional research institutes.

Sec. 51. [116N.10] [AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

Subdivision 1. [ESTABLISHMENT.] The corporation may establish an agricultural utilization research institute to promote the establishment of new markets and the expansion of existing markets for the state's agricultural commodities and products. The agricultural utilization research institute is one of the regional institutes authorized in section 50.

Subd. 2. [DUTIES.] The agricultural utilization research institute has at least the following responsibilities:

(1) identify the various market segments characterized by Minnesota's agricultural industry, address the individual needs of each segment, and identify development opportunities in each segment;

(2) develop and implement a utilization program for each segment that addresses the development needs of that segment and identifies techniques that might meet those needs;

(3) coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses and individuals; and

(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various agricultural industries.

Subd. 3. [STAFF] The corporation shall provide staff to the agricultural utilization research institute and assist in carrying out the duties of the agricultural utilization research institute. The corporation may contract with an organization or individual to provide all or a portion of the staff services required by the agricultural utilization research institute.

Subd. 4. [ADVISORY BOARD.] A 36 member advisory board is established to identify priorities for the agricultural utilization research institute. The advisory board shall consist of: the chair of the Minnesota house of representatives agricultural committee; the chair of the Minnesota senate agricultural committee; a representative from each of the 20 largest agricultural-related businesses in the state as determined by the corporation; a member from each of the appropriate trade organizations representing producers of beef cattle, dairy, corn, soybeans, pork, wheat, turkey, barley, wild rice, edible beans, eggs, and potatoes; a member of the Farmers Union; and a member of the Farm Bureau.

The advisory board shall annually provide a list of priorities and suggested research and marketing studies that should be undertaken by the agricultural utilization research institute.

Sec. 52. [116N.11] [RESEARCH ADVISORY BOARD.]

Subdivision 1. [ESTABLISHMENT.] The corporation board shall establish a research advisory board to provide advisory assistance to the corporation board, the research institute boards, and the rural finance authority.

Subd. 2. [APPOINTMENT.] The research advisory board shall consist of 11 members appointed by the corporation board. Terms and removal of members shall be set by the board and research advisory board members shall serve without compensation but shall receive their necessary and actual expenses while engaged in the business of the corporation. The membership of the advisory board must have representatives that are experienced or have expertise in

technology, applied research, agriculture, business, labor, and productivity.

Subd. 3. [DUTIES.] The research advisory board has the following duties and responsibilities:

(a) Identify specific areas where research and development will contribute to the productivity of the state's businesses and farms.

(b) Determine specific areas where financial assistance for research and development could assist the development of businesses and create new employment opportunities.

(c) Advise the corporation board in the development and establishment of the regional research institutes and the research grants to public and private post-secondary education institutions.

(d) Advise public and private post-secondary education institutions on the research and development needs of businesses in Minnesota.

(e) Review the applications and make recommendations to the corporation board for research grants to public and private post-secondary education institutions.

Sec. 53. [116N.12] [RESEARCH GRANTS TO EDUCATION UNITS.]

The corporation board may make matching grants to public and private post-secondary education institutions for applied research and development. Grants are to be made for projects which will likely result in assisting economic and employment development in greater Minnesota. The corporation board shall not give final approval to a research grant until it has received an evaluation and recommendation from the research advisory board.

Sec. 54. [116N.13] [INFORMATION ASSISTANCE.]

The corporation board or its designee must provide individuals, businesses, and organizations with information relating to federal, state, and local economic development programs. The corporation board must divide greater Minnesota into regions and have its own staff or its contracted organization's staff located in each of these regions to provide information assistance required in this section. The corporation board may contract with organizations, including but not limited to, regional development commissions, to provide the assistance under this section in each of the regions. The corporation's or designated organization's assigned staff to this function must have knowledge of existing private and federal, state, and local economic development programs and work in conjunction

with existing programs including state agency programs, the university extension service, and the small business development centers.

Sec. 55. [116N.14] [GREATER MINNESOTA FUND.]

(a) The Greater Minnesota fund is a separate account in the state treasury. The corporation board may create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used as provided in this chapter.

(b) The fund consists of:

- (1) all appropriations made to the corporation;
- (2) all fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) all revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and
- (5) all gifts, donations, and bequests made to the corporation.

Sec. 56. [116N.15] [AUDITS.]

The corporation board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

The books and records of the corporation, the governor's council on rural development, the rural finance authority, challenge grant organizations, regional research institutes, research advisory boards, and any other subsidiary, fund, or entity to be administered or governed by the corporation are subject to audit without previous notice by the legislative auditor.

Sec. 57. [116N.16] [REPORTS.]

The corporation shall report to the legislature and the governor on its activities by January 1 of each year.

Sec. 58. [136A.125] [SUPPLEMENTAL GRANTS TO DISPLACED RURAL WORKERS.]

Subdivision 1. [PROGRAM; ELIGIBILITY.] (a) The higher education coordinating board shall establish and administer the state supplemental education grant program to assist displaced workers in rural areas of the state in paying the costs of attending public, post-secondary educational institutions. The board shall develop policies and procedures for the administration of grants, including the allocation of funds to eligible institutions, in accordance with section 136A.101.

(b) Only state residents who are enrolled in adult farm management programs or enrolled in a program designed to train people for employment are eligible to apply for grants under this section. Applicants must demonstrate financial need in accordance with policies and procedures established by the board. In developing eligibility policies, the board shall consider criteria for participation in state and federal programs designed to serve economically dislocated workers.

(c) The development of policies and procedures in accordance with this subdivision is not subject to chapter 14.

Subd. 2. [PART-TIME GRANTS.] Displaced workers in rural Minnesota areas are eligible to be considered for a part-time grant under section 136A.132. In awarding grants during the 1987-1989 biennium, participating post-secondary institutions shall consider the needs of displaced rural workers.

Subd. 3. [PUBLIC INFORMATION.] The board shall provide information to displaced workers in rural areas about post-secondary education opportunities and financial assistance to help them pay for their education, including existing state and federal programs and the state supplemental education grant program. The board shall develop and communicate the information in cooperation with the department of jobs and training, financial aid administrators, the agriculture extension service, and representatives of public and private post-secondary education institutions.

Sec. 59. Laws 1983, chapter 334, section 7, is amended to read:

Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed June 30, 1987 1990.

Sec. 60. [DEVELOPMENT PLAN.]

The board of directors of the Greater Minnesota Corporation shall prepare a comprehensive development plan and submit it to the governor and the legislature by November 15, 1987. The development plan must include at least the following:

- (1) operating procedures;
- (2) accounting procedures;
- (3) grant procedures;
- (4) loan procedures;
- (5) personnel procedures and salaries for corporate personnel;
- (6) investment procedures; and
- (7) board conduct and ethics.

In addition, the development plan must include a budget proposal and a five-year plan. It must identify sources and amounts of available nongovernmental money and the purposes for which that money may be used, and it must suggest any further legislation that may be necessary to carry out the development plan.

Sec. 61. [INITIAL APPOINTMENTS.]

Notwithstanding section 45, subdivision 2, the governor shall appoint the initial members of the board of directors of the Greater Minnesota Corporation as follows: four to six-year terms, four to four-year terms, and three to two-year terms.

Sec. 62. [VENTURE CAPITAL STUDY.]

The Greater Minnesota Corporation shall study the effect and the possible administrative and legal structure of the establishment of a for-profit venture capital corporation. This venture capital corporation would be capitalized by a state appropriation that in turn would be converted into shares of stock owned by every resident of the state. This corporation would invest only in Minnesota companies or production facilities located in the state with a preference to ventures that utilize the state's resources and intermediate products and services. The venture capital corporation would invest in local capital venture pools that are managed by experienced private venture capital firms and this corporation would only provide investment capital for product development and start-up business development. The venture capital corporation would target its investment capital to products and businesses that reduce costs to the state's residents and government jurisdictions such as products that improve resource efficiency or products that improve the independence of the physically disabled.

The study may be completed directly by the Greater Minnesota Corporation or the corporation may contract with a business, state

agency, organization, or individual to complete the study. The study must include the examination of at least the following:

(1) the anticipated demand for venture capital that meets the investment criteria of the venture capital corporation;

(2) an estimation of the start-up costs of the venture capital corporation;

(3) an estimation of on-going administrative costs of the venture capital corporation including shareholder related costs;

(4) the most appropriate legal structure for the venture capital corporation including recommendations for the enabling legislation for the corporation;

(5) an estimation of the potential additional investment through stock purchases by Minnesota residents;

(6) an inventory of experienced and interested local venture capital firms that the corporation would utilize in distributing its venture capital; and

(7) an analysis of the type of products that meet the investment criteria of the venture capital corporation.

The Greater Minnesota Corporation shall submit the study to the legislature and the governor by January 15, 1988.

Sec. 63. [APPROPRIATION.]

(a) \$..... is appropriated from the general fund to the commissioner of trade and economic development for additional staffing for the agricultural development board for the fiscal year ending June 30, 1989.

(b) \$..... is appropriated from the general fund to the agricultural development fund. This appropriation is subject to Minnesota Statutes, section 41A.05, subdivision 1.

Sec. 64. [APPROPRIATION.]

Subdivision 1. [MINERAL RESOURCES PLAN.] \$..... is appropriated from the general fund to the commissioner of natural resources for implementation of section 22, to be available until June 30, 1988.

Subd. 2. [FORESTRY MANAGEMENT.] \$..... is appropriated from the general fund to the commissioner of natural resources for

implementation of the forestry management plan required in Minnesota Statutes, section 89.011.

\$. is appropriated from the general fund to the commissioner of natural resources for grants to counties or groups of counties for county forested tax-forfeited lands managed under county forestry assistance programs. The commissioner of natural resources shall make the appropriation available to counties with the amount proportional to the acreage of forested tax-forfeited land managed by the county. As a condition of receiving funds, the commissioner of natural resources must require work plans, semi-annual progress reports, and final program reports.

Sec. 65. [APPROPRIATION.]

\$. is appropriated from the general fund to the department of trade and economic development for the administrative expenses of the rural development board established in section 28.

Sec. 66. [APPROPRIATION.]

\$. is appropriated from the general fund to the Greater Minnesota Corporation established in section 45. The appropriation is used to fund the regional research institutes created in section 50, the applied research grants established in section 53, the product development grants established in section 50, the challenge grant program established in section 48, the business financial assistance programs of the rural finance authority created in section 49, and the technical assistance and administrative costs of the corporation and subsidiaries. The corporation board may allocate the appropriation between programs as the board deems fit. This appropriation is available until expended.

Sec. 67. [APPROPRIATION.]

\$. is appropriated from the general fund to the higher education coordinating board for the state supplemental education grant program established in section 58, to be available until expended.

Sec. 68. [APPROPRIATION.]

\$. is appropriated from the general fund to the jobs skills partnership board for the customized training program established in section 40.

Sec. 69. [APPROPRIATION.]

\$. is appropriated from the general fund to the department of trade and economic development for the community development corporation program.

Sec. 70. [INSTRUCTIONS TO REVISOR.]

Subdivision 1. The revisor of statutes is directed to change the words "agricultural resource loan guaranty fund" wherever it appears in Minnesota Statutes to "agricultural development fund" in the next and subsequent editions of the statutes.

Subd. 2. The revisor of statutes is directed to change the words "agricultural resource loan guaranty board" and "agricultural resource loan guaranty program" wherever they appear in Minnesota Statutes to "agricultural development board" and "agricultural development program" in the next and subsequent editions of the statutes.

Subd. 3. The revisor of statutes is directed to change the words "commissioner of energy and economic development" and "department of energy and economic development" wherever they appear in Minnesota Statutes to "commissioner of trade and economic development" and "department of trade and economic development" in the next and subsequent editions of the statutes.

Sec. 71. [TRANSFER.]

Subdivision 1. The responsibilities of the natural resource research institute are transferred to the Greater Minnesota Corporation. The corporation is a continuation of the research institute for purposes of those matters transferred from the institute to the corporation. Any proceeding, court action, or other business pending with the institute on the effective date of the transfer may be conducted and completed by the corporation. The unexpended balance of any appropriation to the University of Minnesota for purposes of the research institute is reappropriated to the corporation.

Subd. 2. The responsibilities of the state planning agency in regard to the main street program and the community improvement program are transferred to the department of trade and economic development. Section 15.039 applies to this transfer.

Sec. 72. [DISSOLUTION.]

In the event of dissolution of the Greater Minnesota Corporation for any reason, the state of Minnesota, upon action by the governor, after consultation with the legislative advisory commission, may require return of all assets of the corporation to the state, in exchange for the assumption of all outstanding obligations of the corporation.

If the corporation is dissolved, or certain of its functions transferred to another entity, the assets and liabilities and property

associated with the dissolved or transferred functions must return to the state or to the entity designated by law.

Sec. 73. [EFFECTIVE DATES.]

Sections 1 to 21, 23 to 39, 41 to 57, 59 to 62, and 71 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; rural development; renaming and providing new powers to the agricultural resource loan guaranty board; establishing a mineral resources program; changing a department name to trade and economic development; establishing a community development division in the department of trade and economic development; establishing the Greater Minnesota Corporation; establishing the rural development board; establishing the customized training program; establishing the Greater Minnesota Corporation; establishing the state supplemental education grant program; authorizing certain activities and requiring certain studies; appropriating money; amending Minnesota Statutes 1986, sections 11A.24, by adding a subdivision; 15.01; 41A.01; 41A.02, subdivisions 3, 4, 5, 6, 11, and 15; 41A.03, subdivisions 4 and 5; 41A.04, subdivision 1; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivision 1; 116J.01; 116J.03; 116J.951, subdivision 2, and by adding subdivisions; 116J.955; 116J.961, subdivisions 1, 5, 6, 8, and 10; 116L.03, subdivision 2; 116M.04; and 297A.44, subdivision 1; Laws 1983, chapter 334, section 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapter 116N."

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. 246, A bill for an act relating to education; establishing chemical abuse pre-assessment teams and community advisory teams; requiring teachers to report possession, use, and transfer of chemical substances by students; amending Minnesota Statutes 1986, sections 127.41, subdivision 3; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126.

Reported the same back with the following amendments:

Page 1, line 26, delete "9" and insert "7"

Page 4, line 9, delete “; VOLUNTARY REPORTING”

Page 4, line 29, after “and” insert “that there is evidence that the report was made”

Page 6, lines 10 and 11, delete “chemical abuse problems of pupils” and insert “problems of chemical abuse (as defined in section 2) by pupils”

Page 6, line 19, delete “(c)” and insert “(3)”

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. 285, A bill for an act relating to statutes; reenacting certain amendments to the dram shop act.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE I

Section 1. [REENACTMENT.]

Minnesota Statutes, chapter 340A, as published in Minnesota Statutes 1986, is reenacted.

ARTICLE II

Section 1. Minnesota Statutes 1986, section 145.63, is amended to read:

145.63 [LIMITATION ON LIABILITY FOR SPONSORING ORGANIZATIONS AND MEMBERS OF REVIEW ORGANIZATIONS.]

Subdivision 1. [MEMBERS.] No person who is a member or employee of, who acts in an advisory capacity to or who furnishes counsel or services to, a review organization shall be liable for damages or other relief in any action brought by a person or persons whose activities have been or are being scrutinized or reviewed by a review organization, by reason of the performance by the person of any duty, function or activity of such review organization, unless the

performance of such duty, function or activity was motivated by malice toward the person affected thereby. No person shall be liable for damages or other relief in any action by reason of the performance of the person of any duty, function, or activity as a member of a review committee or by reason of any recommendation or action of the review committee when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person or the review organization after reasonable efforts to ascertain the facts upon which the review organization's action or recommendation is made, except that any corporation designated as a review organization under the Code of Federal Regulations, title 42, section 466 (1983) shall be subject to actions for damages or other relief by reason of any failure of a person, whose care or treatment is required to be scrutinized or reviewed by the review organization, to receive medical care or treatment as a result of a determination by the review organization that medical care was unnecessary or inappropriate.

Subd. 2. [ORGANIZATIONS.] No state or local association of professionals or organization of professionals from a particular area shall be liable for damages or other relief in any action brought by a person whose activities have been or are being scrutinized or reviewed by a review organization established by the association or organization, unless the association or organization was motivated by malice towards the person affected by the review or scrutiny.

Sec. 2. Minnesota Statutes 1986, section 340A.801, subdivision 1, is amended to read:

Subdivision 1. [RIGHT OF ACTION.] A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support, or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling alcoholic beverages. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Sec. 3. Minnesota Statutes 1986, section 340A.501, is amended to read:

340A.501 [RESPONSIBILITY OF LICENSEE.]

Every licensee is responsible for the conduct in the licensed establishment and any sale of alcoholic beverage by any employee authorized to sell alcoholic beverages in the establishment is the act of the licensee for the purposes of all provisions of this chapter except sections 340A.701, 340A.702, and 340A.703.

Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 340A.801, subdivision 5, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Article II, section 2, is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor laws; eliminating vicarious criminal liability for the employer of an individual who violates a liquor law; reenacting certain amendments to the dram shop act; providing for liability of professional review organizations; amending Minnesota Statutes 1986, sections 145.63; 340A.501; and 340A.801, subdivision 1; repealing Minnesota Statutes 1986, section 340A.801, subdivision 5."

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. 290, A bill for an act relating to human services; establishing a board of social work examiners; licensing and regulating social workers; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 214.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148A.

Reported the same back with the following amendments:

Page 3, line 32, delete "or" and insert "of"

Page 4, line 21, after "(5)" insert ", or as provided under Minnesota Rules, parts 9500.1070, 9500.1020, or their successor parts"

Page 4, line 36, delete "nine" and insert "ten"

Page 5, line 2, delete "and"

Page 5, line 3, before the period insert "; and"

(3) one school social worker licensed by the board of teaching"

Page 5, line 15, delete "one member" and insert "two members" and delete "a person" and insert "persons"

Page 5, line 16, delete "two" and insert "four"

Page 5, line 20, delete "(4)" and insert "(5)"

Page 5, line 29, delete "4 to 6" and insert "1 to 12"

Page 7, line 11, delete "and"

Page 7, line 12, delete the period and insert "; and

(6) in addition, at least one member shall be a person of color and at least one member shall reside outside of the seven-county metropolitan area."

Page 11, line 16, after the semicolon insert "or"

Page 11, line 18, delete "; or" and insert a period

Page 11, delete lines 19 and 20

Page 12, line 10, delete "qualified"

Page 12, line 11, delete "of a social" and insert "for which they are qualified or licensed"

Page 12, line 12, delete "work nature"

Page 12, line 14, delete "performing"

Page 12, delete line 15

Page 12, line 16, delete "state, or federal agencies"

Page 12, line 18, delete "adjustment or school guidance"

Page 12, line 20, delete "workers" and insert "persons"

Page 13, after line 4, insert:

"Subd. 5. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NONPROFIT AGENCIES WITH A MINORITY FOCUS.] The licensure of social workers who are employed by federally recognized tribes, or by private nonprofit agencies whose primary service focus addresses ethnic minority populations, and are themselves members of ethnic minority populations within said agencies, shall be voluntary."

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. 297, A bill for an act relating to real property; creating a lien against real property for expenses incurred by agencies or political subdivisions in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [514.675] [LIEN FOR EXPENSES OF ACTIONS TO PROTECT PUBLIC HEALTH, SAFETY, OR THE ENVIRONMENT.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section unless the context clearly requires otherwise.

(a) “Agency” means the pollution control agency.

(b) “Release” means a release of a hazardous substance or pollutant or contaminant as those terms are defined in section 115B.02, or a discharge of pollutants subject to the requirements of section 115.061.

(c) “Remedial action” means action to prevent, control, mitigate, or remedy a release or threatened release, including related investigation, preparation, and monitoring activities.

Subd. 2. [LIEN CREATED; EXPIRATION.] When the agency takes remedial action that is reasonable and necessary to protect the public health, safety, or the environment, all expenses incurred by the agency in taking the remedial action, including administrative and legal expenses, constitute a lien against the real property owned by any person who is legally responsible for the release. The lien is effective upon filing of a notice of lien in the office of the county recorder or the registrar of titles in the county where the property is located. The lien expires ten years after the date the notice of lien is filed unless, before the date of expiration, the agency perfects the lien by filing a lien statement as provided in subdivision 5. If the agency determines that remedial action has been completed and that the remedial action is adequate to protect the public health, safety, and environment, no lien under this section may attach to the property where the remedial action was taken except for expenses of

remedial action required by a release that had not yet occurred or was unknown at the time the determination was made.

Subd. 3. [RELATIONSHIP TO OTHER LIENS.] (a) Except as provided in paragraph (c), and to the extent of any increase in market value of the real property attributable to the remedial action, the lien has priority over all other liens and encumbrances on the real property, regardless of when recorded, including liens and encumbrances recorded before the effective date of this section.

(b) With respect to any amount of a lien that exceeds the increase in market value of the real property attributable to the remedial action or a lien on real property where there is no increase in market value attributable to the remedial action, the lien is subordinate to all other liens and encumbrances recorded or arising before the notice of the lien is filed.

(c) A lien on any real property, the greater part of which is devoted to single or multifamily housing, is subordinate to all other liens and encumbrances recorded or arising before the notice of lien is filed.

Subd. 4. [PROPERTY SUBJECT TO LIEN.] The following real property owned by a person who is legally responsible for the release is subject to the lien created under this section:

(1) real property where the release occurred or where the remedial action is taken;

(2) real property contiguous to the property against which the lien may be filed under clause (1) if, within the five years preceding the filing of the notice of lien, the contiguous property was included in the legal description of the property against which the lien may be filed under clause (1); and

(3) real property where the substances present in the release were generated or stored before coming to be located at the property where the release originated.

Subd. 5. [FILING AND RECORDING; APPRAISAL.] (a) A notice of the lien created by this section may be filed after the agency has provided to the owner of the property against which the lien is to be filed, and to any record holder of a first mortgage on the property, notice of the agency's intent to take remedial action and an opportunity to negotiate an agreement with the agency concerning the taking of remedial action and reimbursement of the agency's remedial action expenses. In the case of remedial action to be taken under section 115B.17, the procedures required as a condition of taking action under section 115B.17, subdivision 1, constitute notice and opportunity for negotiation under this subdivision provided that any record holder of a first mortgage on the property is afforded the

same notice and opportunity to negotiate as that afforded to a legally responsible person.

(b) The notice of lien must state the date when remedial action began, the address and telephone number of the agency, the purpose of the remedial action, the name of the owner, and the legal description of the real property subject to the lien.

(c) At any time after expenses have been incurred, a lien statement may be filed showing (1) the purpose and amount of the expenses incurred in taking the remedial action; (2) the address and telephone number of the agency; (3) the amount of any increase in the market value of the real property attributable to the remedial action; and (4) the name of the owner and the legal description of the property subject to the lien. The filing of a lien statement perfects the lien retroactively to the date on which the notice of lien was filed.

(d) Except for a lien against real property where no increase in market value is claimed, appraisals of the market value of the real property before and after the remedial action shall be attached to the lien statement. Except as otherwise provided in this clause, an appraisal of the market value of the real property shall be made before the agency takes remedial action, and shall take into account the existence and scope of the release for which remedial action will be taken. Appraisals shall be performed by a qualified, independent appraiser selected by the agency. No appraisal is required before any preparation or investigation incident to the remedial action is completed, or before taking remedial action to address an emergency requiring immediate action. In the case of emergency remedial action, the appraisal of market value of the real property before remedial action shall be made as soon as practicable after the remedial action begins.

(e) When a notice of lien has been filed but no lien statement has been filed, the agency shall execute a release of the notice upon request of any person with a legal interest in the real property if the agency determines that any claim for expenses incurred in taking remedial action has been satisfied or that legally enforceable arrangements have been made by agreement, stipulation, or otherwise for taking remedial action or reimbursement of the agency's remedial action expenses. After a lien statement has been filed, the agency shall execute a partial or full satisfaction of the lien upon request of any person with a legal interest in the real property if the claim for expenses incurred in taking remedial action has been partially or fully paid.

(f) Notices and statements shall be filed in the office of the county recorder or the office of the registrar of titles of the county in which the real property is located. No attestation, certification, or acknowledgement is required as a condition of filing.

Subd. 6. [ACTION TO CHALLENGE LIEN.] Within 30 days after filing a lien statement, the agency shall serve a copy of the lien statement upon the owner of the property in the manner provided for service of pleadings under the rules of civil procedure. If the lien statement shows an increase in the market value of the real property attributable to the remedial action, the agency shall serve a copy of the lien statement and appraisals on the owner and all lien holders and encumbrancers of record. The owner, and any holder of a lien or encumbrance that is made subordinate to the lien, may challenge the amount, validity, or priority of the lien by commencing an action in district court within 60 days after the date of service.

If an action is brought challenging the amount of increase in value of the real property attributable to the remedial action the court shall appoint commissioners to determine the increase in value and shall make a final determination of the increased value attributable to the remedial action consistent with the provisions for determining value of property as provided in chapter 117, as far as practicable. The agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. The action provided in this subdivision is the exclusive method of challenging the amount, validity, or priority of a lien for which a lien statement is filed as provided under this section.

Subd. 7. [ENFORCEMENT.] (a) When the lien created under this section is perfected by the filing of a lien statement, and subject to any challenge under subdivision 6, the lien is enforceable by foreclosure in the manner provided for the foreclosure of judgment liens under chapter 550. Except as provided in paragraph (b), the lien may be enforced against any person who owned the real property at the time the notice of lien was filed or who acquires ownership of the real property after the notice of lien is filed.

(b) In the case of an owner of the real property at the time that the notice of lien is filed, the lien is enforceable against the owner only when ownership of the real property is transferred to another person or when the agency obtains a judgment that the owner is a person legally responsible for the release.

Subd. 8. [OFFICER RESPONSIBLE FOR ADMINISTRATION; DISPOSITION OF PAYMENTS.] The filing, mailing, or serving of a document authorized or required under this section is the responsibility of the director of the agency, or by a delegate of the director. Amounts received in payment of claims for expenses incurred in taking remedial action, or in satisfaction of any lien under this section shall be deposited in the fund from which the expenses were paid by the agency.

Subd. 9. [OTHER REMEDIES PRESERVED.] Nothing in this section shall be construed to affect the right of the agency to use any

remedy available under any other law to recover expenses incurred in taking remedial action.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to real property; creating a lien against real property for expenses incurred by the pollution control agency in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.”

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. 350, A bill for an act relating to crime; extending the crimes of murder in the second degree and manslaughter in the first degree to deaths caused by the sale or distribution of controlled substances; imposing penalties; amending Minnesota Statutes 1986, sections 609.19; and 609.20; proposing coding for new law in Minnesota Statutes, chapter 152.

Reported the same back with the following amendments:

Page 2, line 7, after “(3)” insert “Proximately”

Page 2, line 8, delete “the”

Page 2, line 8, delete “of any person,” and after “by” insert “, directly or indirectly,”

Page 3, line 1, after “(4)” insert “Proximately”

Page 3, line 2, delete “the”

Page 3, line 2, delete “of any person,” and after “by” insert “, directly or indirectly,”

Page 3, after line 5, insert:

"Sec. 4. [609.228] [GREAT BODILY HARM CAUSED BY DISTRIBUTION OF DRUGS.]

Whoever proximately causes great bodily harm by, directly or indirectly, unlawfully selling, giving away, bartering, delivering, exchanging, distributing, or administering a controlled substance classified in schedule I or II may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both."

Page 3, line 7, delete "3" and insert "4" and delete everything after "effective" and insert "August 1, 1987"

Page 3, line 8, delete "enactment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the first semicolon insert "making it a felony to cause great bodily harm by selling or distributing certain controlled substances;"

Page 1, line 8, delete "chapter" and insert "chapters" and before the period insert "and 609"

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. 388, A bill for an act relating to crimes; providing for attachment of financial assets of persons charged with committing a felony; enhancing penalties for using a false name to get a credit card; updating the wiretap law; prohibiting persons from defrauding insurers by concealing or removing property for the purpose of making a fraudulent insurance claim; amending Minnesota Statutes 1986, sections 609.611; 609.821, subdivisions 2 and 3; and 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [609.532] [ATTACHMENT OF DEPOSITED FUNDS.]

Subdivision 1. [ATTACHMENT.] Upon application by the prosecuting authority, a court may issue an attachment order directing a bank or financial institution to freeze some or all of the funds or assets deposited with or held by the bank or financial institution by or on behalf of an account holder charged with the commission of a felony offense.

Subd. 2. [APPLICATION.] The application of the prosecuting authority required by this chapter must contain:

(1) a copy of a criminal complaint issued by a court of competent jurisdiction that alleges the commission of a felony by the account holder;

(2) a statement of the actual financial loss caused by the account holder in the commission of the alleged felony, if not already stated in the complaint; and

(3) identification of the account holder's name or names and bank or financial institution account number or numbers.

Subd. 3. [ISSUANCE OF A COURT ORDER.] If the court is satisfied that (1) there is probable cause that the account holder was involved in the commission of a felony offense; (2) the accounts of the account holder are specifically identified; (3) there was an aggregate loss of \$10,000 or more as a result of the commission of the alleged felony; and (4) it is necessary to freeze the account holder's funds or assets to ensure eventual restitution to victims of the alleged offense, the court may order the bank or financial institution to freeze all or part of the account holder's deposited funds or assets so that the funds or assets may not be withdrawn or disposed of until further order of the court.

Subd. 4. [DUTY OF BANKS OR FINANCIAL INSTITUTIONS.] Upon receipt of the order authorized by this section, a bank or financial institution must not permit any funds or assets that were frozen by the order to be withdrawn or disposed of, absent further order of the court.

Subd. 5. [RELEASE OF FUNDS.] (a) The account holder may, upon notice and motion, schedule a hearing to contest the freezing of funds or assets and to seek the release of all or part of them.

(b) The account holder is entitled to an order releasing the freeze by showing:

(1) that the holder has posted a bond or other adequate surety, guaranteeing that, upon conviction, adequate funds or assets will be available to pay complete restitution to victims of the alleged offense;

(2) that there is no probable cause to believe that the account holder was involved in the alleged offense;

(3) that the amount of funds or assets frozen is more than is necessary to pay complete restitution to all victims of the alleged offense;

(4) that a joint account holder who is not involved in the alleged criminal activity has deposited all or part of the funds; or

(5) that the funds or assets should be returned in the interests of justice.

(c) It is not grounds for the release of funds or assets that the particular accounts frozen do not contain funds or assets that were proceeds from or used in the commission of the alleged offense.

Subd. 6. [DISPOSITION OF FUNDS.] (a) If the defendant is convicted of a felony or a lesser offense, the funds or assets may be used to pay complete restitution to victims of the offense. This section may be carried out by an appropriate court order to the bank or financial institution that directs that all or part of the frozen funds or assets be turned over to the court or its designee.

(b) If the defendant is acquitted or the charges are dismissed, the freeze on the defendant's funds or assets must be ended immediately, upon an appropriate court order.

Subd. 7. [TIME LIMIT.] The freeze permitted by this section shall expire 24 months after the date of the court's initial attachment order unless this time limit is extended by the court in writing upon a showing of good cause by the prosecution.

Subd. 8. [NOTICE.] Within ten days after a court issues an attachment order as permitted by this section, the prosecutor shall cause a copy of the order to be sent to the accountholder's last known address or to the accountholder's attorney, if known.

Sec. 2. Minnesota Statutes 1986, section 609.611, is amended to read:

609.611 [DEFRAUDING INSURER.]

Whoever with intent to injure or defraud an insurer, damages or removes or conceals any property real or personal, whether the actor's own or that of another, which is at the time insured by any person, firm or corporation against loss or damage;

(a) May be sentenced to imprisonment for not more than three years or to payment of fine of not more than \$5,000, or both if the value insured for is less than \$20,000; or

(b) May be sentenced to imprisonment for not more than five years or to payment of fine of not more than \$10,000, or both if the value insured for is \$20,000 or greater;

(c) Proof that the actor recovered or attempted to recover on a policy of insurance by reason of the fire is relevant but not essential to establish the actor's intent to defraud the insurer.

Sec. 3. Minnesota Statutes 1986, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of gambling or any criminal felony offense involving murder, manslaughter, aggravated assault in the first, second, and third degrees, aggravated robbery, kidnapping, aggravated rape criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, aggravated forgery, and offenses relating to gambling and controlled substances, or an attempt or conspiracy to commit any of these offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, ~~609.225~~ 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, ~~609.291~~ 609.342, 609.343, 609.344, 609.321 to 609.324, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, ~~609.58~~ 609.581, 609.625, 609.63, 609.76, 609.825, and chapter 152.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1987, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "get a credit card;"

Page 1, line 9, delete "609.821,"

Page 1, line 10, delete "subdivisions 2 and 3;"

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. 389, A bill for an act relating to retirement; local police and firefighters relief associations; authorized administrative expenses; amending Minnesota Statutes 1986, section 69.80.

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. 413, A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for service of notice of driver's license revocation by court; providing for chemical tests to determine presence of alcohol or controlled substance; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment rules to administrative procedure act; prescribing actions by drivers on one-way road when emergency vehicle approaching; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; allowing peace officers to weigh pickup towing trailer or semitrailer; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivision 2; 169.85; 171.06, subdivision 2; and 299A.11; proposing coding for new law in Minnesota Statutes, chapter 168.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.013, subdivision 20, is amended to read:

Subd. 20. [FEDERAL HEAVY VEHICLE USE TAX; PROOF OF PAYMENT.] No person may register a motor vehicle that, along with the trailers and semitrailers customarily used with the same type of motor vehicle, has a taxable gross weight of at least ~~33,000~~ 55,000 pounds and is subject to the use tax imposed by the Internal Revenue Code of 1954, section 4481, unless proof of payment of the use tax, if required and in a form as may be prescribed by the secretary of the treasury, is presented.

Sec. 2. [168.093] [PROMOTIONAL EVENT PERMITS.]

On payment of a fee of \$10 per vehicle, the registrar may issue a permit to a new motor vehicle dealer for new vehicles to be used in a promotional event such as a golf tournament or parade. There must be at least three vehicles in the event. The permit must be in a form as the registrar may determine and must show the vehicle description, the owner or dealer, the promotional event, and the dates of the event. Payments received for the permits must be paid into the state treasury and credited to the highway user tax distribution fund. The receipt copy of the permit, whenever practicable, must be posted upon the left side of the inside rear window of the vehicle.

Sec. 3. Minnesota Statutes 1986, section 168.187, subdivision 17, is amended to read :

Subd. 17. [TRIP PERMITS.] The commission may, subject to agreements or arrangements made or entered into pursuant to subdivision 7 issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 96 ~~120~~ hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$10 ~~\$15~~.

Sec. 4. Minnesota Statutes 1986, section 168.36, subdivision 2, is amended to read:

Subd. 2. [CERTAIN ACTS, MISDEMEANORS.] Any person who shall loan or use any number plate or registration certificate upon or in connection with any motor vehicle except the one for which the same was duly issued, or upon any such motor vehicle after such certificate or plates, or the right to use the same, have expired, or any person who shall retain in possession or shall fail to surrender, as herein provided, any such number plate or registration certificate shall be guilty of a misdemeanor. Any person who manufactures, buys, sells, uses or displays motor vehicle license number plates, motor vehicle registration certificates, or tax receipts issued by this state or any other state, territory or district in the United States, without proper authority from such state, territory or district of the United States, shall be guilty of a misdemeanor, and, upon conviction thereof, punished by a fine of not less than ~~\$25~~ \$25 nor more than

\$100 \$700 or by confinement of not less than 15 nor more than 90 days or by both such fine and imprisonment.

Sec. 5. Minnesota Statutes 1986, section 169.09, subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety and other appropriate state, federal, county and municipal governmental agencies for accident analysis purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names, ages, and addresses of the parties involved, whether a citation was issued, and if so, what it was for, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given

be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news. Release of data on juveniles shall be governed by section 13.32.

When these reports are released for accident analysis purposes the identity of any involved person shall not be revealed. Data contained in these reports shall only be used for accident analysis purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier, subject to section 221.031 named in an accident report filed under subdivision 7 or 8. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commissioner of public safety may give to the United States Department of Transportation all commercial vehicle accident information in connection with federal grant programs relating to safety.

The department may charge authorized persons a \$5 fee for a copy of an accident report.

Sec. 6. Minnesota Statutes 1986, section 169.121, subdivision 7, is amended to read:

Subd. 7. On behalf of the commissioner of public safety a court shall serve notice of revocation on a person convicted of a violation of this section only when the person's driving privileges are not then under revocation for, or the revocation has not already been served for, the implied consent arising under that violation. The court shall take the license or permit of the driver, if any, or obtain a sworn affidavit stating that the license or permit cannot be produced, and send it to the commissioner with a record of the conviction and issue a temporary license effective only for the period during which an appeal from the conviction may be taken. No person who is without driving privileges at the time shall be issued a temporary license and any temporary license issued shall bear the same restrictions and limitations as the driver's license or permit for which it is exchanged.

The commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.

Sec. 7. Minnesota Statutes 1986, section 169.123, subdivision 5c, is amended to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation pursuant to this section, a person may petition the court for review. The petition shall be filed with the court administrator of county or municipal court in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for the appearance of the commissioner of public safety in the matter.

The petition shall be captioned in the name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition must include the petitioner's date of birth, driver's license number, date of the offense, and a copy of the notice of revocation. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation or denial.

The filing of the petition shall not stay the revocation or denial. The reviewing court may order a stay of the balance of the revocation if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 8. Minnesota Statutes 1986, section 169.124, subdivision 2, is amended to read:

Subd. 2. The alcohol problem assessment shall be conducted under the direction of the court and by such persons or agencies as the court deems qualified to provide the alcohol problem assessment and assessment report as described in section 169.126. The alcohol problem assessment may be conducted by court services probation officers having the required knowledge and skills in the assessment of alcohol problems, by alcoholism counselors, by persons conducting court sponsored driver improvement clinics if in the judgment of the court such persons have the required knowledge and skills in the assessment of alcohol problems, by appropriate staff members of public or private alcohol treatment programs and agencies or mental health clinics, by court approved volunteer workers such as members of alcoholics anonymous, or by such other qualified persons as the court may direct. The commissioner of public safety shall provide the courts with information and assistance in establishing alcohol problem assessment programs suited to the needs of the area served by each court. The commissioner shall consult with the alcohol and other drug abuse section in the department of human services and with local community mental health boards in providing such information and assistance to the courts. The commissioner of public safety shall promulgate rules and standards under chapter 14, consistent with this subdivision, for reimbursement under the

provisions of subdivision 3. ~~The promulgation of such rules and standards shall not be subject to chapter 14.~~

Sec. 9. Minnesota Statutes 1986, section 169.20, subdivision 5, is amended to read:

Subd. 5. [EMERGENCY VEHICLE.] Upon the immediate approach of an authorized emergency vehicle equipped with at least one lighted lamp exhibiting red light visible under normal atmospheric conditions from a distance of 500 feet to the front of such vehicle and, except where otherwise not required by law, when the driver is giving audible signal by siren, the driver of each other vehicle shall yield the right-of-way and shall immediately drive to a position parallel to and as close as possible to the right-hand edge or curb of the highway clear of any intersection, and shall stop and remain in this position until the authorized emergency vehicle has passed, except when otherwise directed by a police officer. The driver of another vehicle on a one-way roadway shall drive to the closest edge or curb and stop. The driver of an authorized emergency vehicle escorting the movement of a vehicle or load which is oversize or overweight need not sound an audible signal by siren but shall exhibit the light required by this paragraph. The driver of each other vehicle then shall yield the right-of-way, as required by this paragraph, to the emergency vehicle escorting the vehicle or load which is oversize or overweight.

Upon the approach of an authorized emergency vehicle the driver of each street car and the operator of each trackless trolley car shall immediately stop such car clear of any intersection and keep it in this position and keep the doors and gates of the street car or trackless trolley car closed until the authorized emergency vehicle has passed, except when otherwise directed by a police officer.

This subdivision shall not operate to relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of persons using the highways.

Sec. 10. Minnesota Statutes 1986, section 169.44, subdivision 2, is amended to read:

Subd. 2. [LOADING AND UNLOADING PASSENGERS; USE OF SIGNALS.] (a) Drivers of a vehicle outwardly equipped and identified as a school bus shall actuate the prewarning flashing amber signals of the bus before stopping to load or unload a school child or children at least 300 feet when operating outside an incorporated municipality and at least 100 feet when operating within an incorporated municipality and, upon stopping for such purpose, such drivers shall extend the stop signal arm and actuate the flashing red signals and shall not retract the stop signal arm and extinguish the flashing red signals until loading or unloading is completed and persons who must cross the street or highway are safely across.

(b) School bus drivers shall not actuate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the road;

(2) in residence or business districts of cities except when directed by the local school administrator;

(3) when a school bus is being used on a highway for purposes other than the actual transportation of school children to or from school or a school approved activity, in which event the words "school bus" on the front and rear of the bus shall be removed or completely concealed; and

(4) at railroad grade crossings; and

(5) when loading and unloading persons while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of a separated, one-way roadway with adequate shoulders before loading or unloading persons.

(c) Where school children must cross the road before boarding or after being discharged from the bus, the driver of a school bus or a school bus patrol may supervise such crossings making use of the standard school patrol flag or signal as approved and prescribed by the commissioner of public safety. When children are alighting from a school bus, the driver shall visually ascertain that alighting children shall be a safe distance from the bus before moving the bus.

(d) Vehicles not outwardly equipped and identified as school buses shall load or unload school children only from the right-hand side of the vehicle, except on a one-way street such vehicle shall load or unload school children only from the curb side of the vehicle.

Sec. 11. Minnesota Statutes 1986, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	C-\$10	B-\$15	A-\$20
Classified Provisional D.L.	C-\$6	B-\$10	<u>A-\$10</u>
Instruction Permit			\$4
Duplicate Driver or Provisional License			\$3
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a			\$6

Sec. 12. Minnesota Statutes 1986, section 299A.11, is amended to read:

299A.11 [VEHICLES TRANSPORTING WHEELCHAIR USERS; DEFINITIONS.]

The following terms have the definitions given them for the purposes of sections 299A.11 to 299A.18:

(a) "Wheelchair securement device" or "securement device" means an apparatus installed in a motor vehicle for the purpose of securing an occupied wheelchair into a location in the vehicle and preventing movement of that wheelchair while the vehicle is in motion.

(b) "Operator" means any person, firm, partnership, corporation, service club, public or private agency, city, town or county. ~~The provisions of Laws 1978, chapter 752, shall Section 299A.15 does not apply to any school bus as defined in section 169.01, subdivision 6, which is subject to regular school bus inspections pursuant to section 169.451.~~

(c) "Transportation service" means the transportation by motor vehicle, other than a school bus manufactured prior to January 1, 1988, of any sick, injured, invalid, incapacitated, or handicapped individual while occupying a wheelchair, which transportation is offered or provided by any operator to the public or to its employees or in connection with any other service offered by the operator including schooling or nursing home, convalescent or child care services.

Delete the title and insert:

"A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for the disclosure of certain information from accident reports; providing for service of notice of driver's license revocation by court; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment rules to administrative procedure act; prescribing actions by driver on one-way road when emergency vehicle approaching; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivision 2;

171.06, subdivision 2; and 299A.11; proposing coding for new law in Minnesota Statutes, chapter 168."

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. 463, A bill for an act relating to retirement; public employees retirement association; lowering vesting standards; amending Minnesota Statutes 1986, sections 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353.651, subdivision 1; 353.657, subdivision 2a; 353.71, subdivision 1; and 356.30, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1986, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any employee covered by the system who is less than 65 years of age who becomes totally and permanently disabled after ~~ten~~ five or more years of allowable service and any employee who is at least 50 years of age but less than 65 years of age who becomes totally and permanently disabled after five or more years of allowable service shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled employee's state service has terminated at any time, at least ~~five~~ three years of allowable service must have been rendered after last becoming a state employee covered by the system.

Sec. 2. Minnesota Statutes 1986, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service any employee (a) who has attained the age of at least 55 years and who is entitled to credit for not less than ~~ten~~ five years allowable service or (b) who has received credit for not less than 30 years allowable service regardless of age is entitled upon application to a retirement annuity.

Sec. 3. Minnesota Statutes 1986, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee who has attained the age of at least 50 years and has credit for not less than ~~ten~~ five years allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest provided in subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity shall be computed as provided in sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1 and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision. The annuity shall cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of such deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 4. Minnesota Statutes 1986, section 352.22, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY.] (1) Any employee with at least ~~ten~~ five years of allowable service when such termination occurs may elect to leave the accumulated contributions in the fund and thereby be entitled to a deferred retirement annuity. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service shall have any annuity, deferred annuity or other benefit to which the employee may become entitled computed under the law in effect on the last working day.

(3) No application for a deferred annuity shall be made more than 60 days prior to the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity shall begin to accrue no earlier than 60 days prior to the

date the application is filed in the office of the system, but in no event prior to the date the employee reaches the required age for entitlement to the annuity nor prior to the day following the termination of state service in a position not covered by the retirement system nor prior to the day following the termination of employment in a position which requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

(4) Application for the accumulated contributions left on deposit with the fund may be made at any time after 30 days following the date of termination of service.

Sec. 5. Minnesota Statutes 1986, section 352.72, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ~~ten~~ five or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that a refund has not been taken from any one of these funds since service entitling the employee to coverage under the system or the employee's membership in any of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~ten~~ five years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~ten~~ five or more years.

Sec. 6. Minnesota Statutes 1986, section 352.93, subdivision 1, is amended to read:

Subdivision 1. After separation from state service an employee covered under section 352.91 who has attained the age of at least 55 years and has credit for not less than a total of ~~ten~~ five years of covered correctional service and regular Minnesota state retirement system service shall be entitled upon application to a retirement annuity under this section based only on covered correctional employees' service. Application may be made no earlier than 60 days prior to the date the employee is eligible to retire by reason of both age and service requirements.

For the purpose of this section, average salary means the average of the monthly salary during the employees' highest five successive years of salary as an employee covered by the Minnesota state retirement system.

Sec. 7. Minnesota Statutes 1986, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. Every member who is credited with ~~ten~~ five or more years of allowable service shall be entitled to separate from such state service and upon attaining the age of 55 years, shall be entitled to receive a life annuity, upon separation from state service. Members shall make application for an annuity in a form and manner prescribed by the executive director. No application may be made more than 60 days prior to the date the member is eligible to retire by reason of both age and service requirements. An annuity shall begin to accrue no earlier than 90 days prior to the date the application is filed with the executive director.

Sec. 8. Minnesota Statutes 1986, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] In the event any member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, clause (1), or a former member receiving a disability benefit as provided by section 352B.10, clause (3) dies from any cause, the surviving spouse and dependent child or dependent children shall be entitled to benefit payments as follows:

(a) A member with at least ~~ten~~ five years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member attained or would have attained the age of 55.

(b) The surviving spouse of a member who had credit for less than ~~ten~~ five years of service shall receive, for life, a monthly annuity equal to 20 percent of that portion of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ~~ten~~ five years of service and who dies after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in clause (b).

(d) The surviving spouse of any member who had credit for ~~ten~~ five years or more and who was not 55 years of age at death, shall receive

the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries prior to the deceased member's 55th birthdate, all benefits or annuities shall cease as of the date of remarriage. Remarriage subsequent to the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that portion of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over the age of 18 years and under the age of 22 years also may receive the monthly benefit provided herein, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full time attendance during any portion of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child shall be made to the surviving spouse, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member shall die under circumstances which entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, amounts equal to the workers' compensation benefits received by them shall not be deducted from the benefits payable pursuant to this section.

(g) The surviving spouse of a deceased former member who had credit for ~~ten~~ five or more years of allowable service, but excluding the spouse of a former member receiving a disability benefit under the provisions of section 352B.10, clause (3), shall be entitled to receive the 100 percent joint and survivor annuity at such time as the deceased member would have reached the age of 55 years, provided the surviving spouse has not remarried prior to that date. In the event of the death of a former member who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs shall be entitled to receive a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per annum compounded annually.

Sec. 9. Minnesota Statutes 1986, section 352B.30, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement

system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement fund, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police or firefighters shall be entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ten five or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the member has not taken a refund from any one of these funds since service entitling the member to coverage under the system or membership in any of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~ten~~ five years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ten five or more years."

Page 5, after line 30, insert:

"Sec. 18. Minnesota Statutes 1986, section 354.44, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS AS TO AGE AND SERVICE.] Any member or former member who ceases or has ceased to render teaching services in any school or institution covered by the provisions of this chapter, and who has attained the age of at least 55 years with not less than ten five years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Sec. 19. Minnesota Statutes 1986, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least ten five years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and

survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivision 2, 6 or 7, whichever is applicable. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 20. Minnesota Statutes 1986, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who became totally and permanently disabled after at least ~~ten~~ five years of allowable service or after age 50 with five years of allowable service, whichever is sooner shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's teaching service has terminated at any time, at least ~~five~~ three of the required ~~ten~~ five years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to disability benefits.

Sec. 21. Minnesota Statutes 1986, section 354.49, subdivision 3, is amended to read:

Subd. 3. Any person who has attained the age of at least 65 with less than ~~ten~~ five years of credited allowable service shall be entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest in lieu of a proportionate annuity pursuant to section 356.32 except those covered under the provisions of section 354.44, subdivisions 6 or 7 in which case the refund shall be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957 and after July 1, 1957 the accumulated deductions plus interest at the rate of five percent compounded annually.

Sec. 22. Minnesota Statutes 1986, section 354.60, is amended to read:

354.60 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system or the public employees retirement association including the public employees retirement association police and fire fund or the teachers retirement association or the Minnesota state patrol retirement association, or any other public employee retire-

ment system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all three funds or in any two of these funds totals ~~ten~~ five or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these three funds since the person's membership in that association has terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant have at least ~~ten~~ five years' membership service or ~~ten~~ five years of allowable service in the respective association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~ten~~ five or more years.

Sec. 23. Minnesota Statutes 1986, section 354A.31, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any coordinated member or former coordinated member who has ceased to render teaching service for the school district in which the teachers retirement fund association exists and who has either attained the age of at least 55 years with not less than ~~ten~~ five years of allowable service credit or received credit for not less than 30 years of allowable service regardless of age, shall be entitled upon written application to a retirement annuity.

Sec. 24. Minnesota Statutes 1986, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at age 65 with at least ~~ten~~ five years of service credit or at age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a normal retirement annuity calculated pursuant to subdivision 4.

Sec. 25. Minnesota Statutes 1986, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age prior to age 65 with ~~ten~~ five years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced

by one-fourth of one percent for each month that the coordinated member is under the age of 60.

Sec. 26. Minnesota Statutes 1986, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] The surviving spouse of any coordinated member who has attained the age of at least 50 years and has credit for at least ~~ten~~ five years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section. The benefits shall be payable for life.

Sec. 27. Minnesota Statutes 1986, section 354A.36, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM AGE, SERVICE AND SALARY REQUIREMENTS.] Any coordinated member who has ~~either~~ at least ~~ten~~ five years of allowable service credit ~~or attained the age of at least 50 years with at least five years of allowable service credit~~, has an average salary of at least \$75 per month and has become totally and permanently disabled shall be entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least ~~five~~ three years of the required allowable service shall be required to have been rendered subsequent to the last interruption in service.

Sec. 28. Minnesota Statutes 1986, section 354A.39, is amended to read:

354A.39 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota state patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis employees retirement fund, the Duluth teachers retirement fund association new law coordinated program, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public

employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals ~~ten~~ five or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least ~~ten~~ five years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ~~ten~~ five or more years."

Page 6, line 10, strike "ten" and insert "five"

Page 7, delete lines 26 to 32, and insert:

"Sec. 30. [423A.19] [REDUCED VESTING REQUIREMENT]

Subdivision 1. [REDUCED VESTING.] Notwithstanding any general law or special law to the contrary, for a police or salaried firefighters relief association that implements the provision with municipal approval as provided in subdivision 4, any person with at least five years of service credited by the relief association shall be entitled upon termination of active service and reaching at least the required normal retirement age to receive a pro rata monthly service pension. The pro rata monthly service pension shall be calculated in the amount and manner specified by the board of trustees, but shall not exceed that portion of the service pension payable upon meeting the minimum age and years of service requirements that the person's actual years and portions of years of service bear to the minimum service requirement.

Subd. 2. [SURVIVOR BENEFIT COVERAGE.] A person entitled to or receiving a reduced vesting service pension as provided in subdivision 1 shall be entitled to surviving spouse benefit coverage, surviving child benefit coverage, or both, if all other qualification requirements are met. The survivor benefit shall be calculated in the amount and manner specified by the board of trustees, but shall not exceed that portion of survivor benefit payable to a survivor of a deceased retired member who had met the minimum years of service requirement that the actual years and portions of years service of the person bear to the minimum service requirement for a service pension.

Subd. 3. [POSTRETIREMENT ADJUSTMENTS.] A reduced vesting service pension as provided in subdivision 1, or a survivor benefit payable on behalf of a deceased person entitled to or receiving a reduced vesting service pension as provided in subdivision 2, shall be entitled to postretirement adjustments if the comparable pension or benefit payable when the full minimum service requirement has been met is subject to postretirement adjustments. The postretirement adjustment shall be the same percentage increase as the postretirement adjustment for the comparable pension or benefit payable when the full minimum service requirement has been met.

Subd. 4. [IMPLEMENTATION.] The reduced vesting requirement shall be implemented by a local relief association through an amendment to the bylaws of the relief association with approval by the governing body of the applicable municipality as required by section 69.77, subdivision 2i. The bylaw amendment shall not be effective until a certified copy of the amendment and the municipal approval has been filed with the executive director of the legislative commission on pensions and retirement, the state auditor, and the secretary of state."

Page 7, line 34, delete "9" and insert "30"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to retirement; various public retirement plans and funds; lowering vesting standards; amending Minnesota Statutes 1986, sections 352.113, subdivision 1; 352.115, subdivision 1; 352.12, subdivision 2; 352.22, subdivision 3; 352.72, subdivision 1; 352.93, subdivision 1; 352B.08, subdivision 1; 352B.11, subdivision 2; 352B.30, subdivision 1; 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353.651, subdivision 1; 353.657, subdivision 2a; 353.71, subdivision 1; 354.44, subdivision 1; 354.46, subdivision 2; 354.48, subdivision 1; 354.49, subdivision 3; 354.60; 354A.31, subdivisions 1, 5, and 6; 354A.35, subdivision 2; 354A.36, subdivision 1; 354A.39; and 356.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 423A."

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. 512, A bill for an act relating to energy conservation; appropriating certain funds to the department of jobs and training for low-income energy conservation programs; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [COMMISSION TO DEVELOP PLAN.]

The legislative advisory commission, as created in section 3.30, shall develop a plan for allocation of the money appropriated by section 4.

Sec. 2. [ENERGY CONSERVATION PLAN.]

The legislative advisory commission shall appoint a task force of no more than 20 members. The task force shall include representatives of local government; individuals, nonprofit organizations or community groups that have an interest in low income weatherization; and other community groups selected by the legislative advisory commission. The task force shall prepare and recommend to the commission an energy conservation allocation plan allocating the money appropriated by section 4. The commission may amend the plan as necessary, shall approve the final version of the plan, and shall allocate the appropriated money according to the plan and this section. The commission shall allocate the money to activities that the commission determines are permitted under any applicable court order and federal statute or rule and that will substantially and measurably reduce the consumption of fossil fuels within the state. Not less than half of the money appropriated under section 4 each year shall be used to maintain low income energy conservation programs administered by the department of jobs and training and other energy conservation programs.

Sec. 3. [PLAN REVISION.]

The energy conservation allocation plan shall be revised and approved quarterly by the legislative advisory commission in order to allocate any additional funds received since the previous allocation.

Sec. 4. [APPROPRIATION.]

Money received before or after the effective date of this section by the governor, the commissioner of finance, or any other state agency as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F. Supp. 586 (D. Kan. 1983) and all other money received after the effective date of this section by any of those entities or agencies, resulting from overcharges by oil companies in violation of federal law, is appropriated to the legislative advisory commission and shall be allocated as provided in the energy conservation allocation plan approved by the commission.

Sec. 5. [ENVIRONMENTAL LEARNING CENTER.]

Notwithstanding subdivisions 2 and 4, \$282,000 of the money received as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F. Supp. 586 (D. Kan. 1983) is appropriated to the Department of Energy and Economic Development or its successor for the purposes of a grant to the Environmental Learning Center for the construction of a central heating alternative fuel system.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy conservation; appropriating oil overcharge funds to the legislative advisory commission; requiring the development of a plan for allocating appropriated funds; appropriating money."

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. 593, A bill for an act relating to crimes; prescribing higher penalties for major theft; providing that orders of restitution may be entered in favor of corporate victims; allowing the court to amend or issue orders of restitution when the defendant is on probation or supervised release; extending the statute of limitations for most crimes to five years; amending Minnesota Statutes 1986, sections 90.301, subdivision 6; 256.98; 256B.35, subdivision 5; 393.07, subdivision 10; 609.52, subdivision 3; 611A.01; 611A.04, subdivision 1; and 628.26.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [65B.80] [DEFINITIONS.]

Subdivision 1. [TERMS.] The following terms have the meanings given for purposes of sections 1 to 4.

Subd. 2. [AUTHORIZED PERSON.] "Authorized person" means the prosecuting attorney responsible for prosecutions in the county

where the motor vehicle theft occurred, the bureau of criminal apprehension, and the sheriff or chief of police responsible for investigation in the county where the motor vehicle theft occurred.

Subd. 3. [RELEVANT.] "Relevant" information or evidence means information having a tendency to make the existence of any fact that is of consequence to the investigation or determination of the issue more or less probable than it would be without the evidence.

Sec. 2. [65B.81] [DISCLOSURE OF INFORMATION.]

Subdivision 1. [REQUEST.] After receiving a written request, an insurance company must release to an authorized person any relevant information in the company's possession that relates to the motor vehicle theft. Relevant information is limited to:

(1) pertinent insurance policy information, including the application for a policy, that is relevant to a motor vehicle theft under investigation by the authorized person;

(2) policy premium payment records that are available;

(3) a history of previous claims made by the insured including, where the insured is a corporation or partnership, a history of previous claims by a subsidiary or any affiliates, and a history of claims of any other business association in which individual officers or partners or their spouses were known to be involved; and

(4) material relating to the investigation of the theft, including statements of any person, proof of loss, and any other evidence relevant to the investigation.

Subd. 2. [NOTIFICATION BY INSURER REQUIRED.] If an insurance company has reason to believe that a motor vehicle theft in which it has an interest may be fraudulently claimed, the company shall, in writing, notify an authorized person and provide the person with all relevant information specified in subdivision 1 relating to the motor vehicle theft. It is sufficient for the purpose of this subdivision if an insurance company notifies and provides relevant information to one authorized person.

Subd. 3. [RELEASE OF INFORMATION.] An authorized person provided with information under subdivision 1 or 2 may, to further official purposes, release or provide the information to any other authorized person.

Subd. 4. [INFORMATION FROM AUTHORIZED PERSON.] An insurance company that provides information to an authorized person may request relevant information in writing from the authorized person and the authorized person must provide the requested

information within 30 days. The relevant information provided under this subdivision may not include nonconviction criminal history record information or any other information that is detrimental to an ongoing criminal investigation or would reveal the identity of a confidential source of information. An authorized person who does not furnish the requested information shall notify the insurance company of the reasons why the information cannot be furnished within 30 days of the request.

Subd. 5. [IMMUNITY FROM LIABILITY.] An insurance company or its agent acting in its behalf, or an authorized person who releases information, whether oral or written, acting in good faith, under subdivisions 1 to 3a, is immune from any liability, civil or criminal, that might otherwise be incurred or imposed.

Sec. 3. [65B.82] [EVIDENCE.]

Data received under sections 1 to 4 by an authorized person or insurance company is confidential data under section 13.02, subdivision 3, until its release is required in connection with a criminal or civil proceeding.

Sec. 4. [65B.83] [ENFORCEMENT.]

Subdivision 1. [INTENTIONAL REFUSAL TO RELEASE.] An insurance company or officer may not intentionally refuse to release any information requested under section 3, subdivision 1.

Subd. 2. [INTENTIONAL REFUSAL TO NOTIFY.] An insurance company, or its employee or officer, may not intentionally refuse to provide notice or relevant information to authorized persons under section 2, subdivision 2.

Subd. 3. [PENALTY.] Whoever violates the provisions of subdivision 1 or 2 is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1986, section 90.301, subdivision 6, is amended to read:

Subd. 6. [TICKET FOR THEFT VIOLATIONS.] The commissioner may design and issue a ticket in the form, and having the effect, of a summons and complaint, for use in cases of theft of state timber or other state property, where the value of the property is within the limits established by section 609.52, subdivision 3, clause (5) (6). The ticket shall provide for the name and address of the person charged with the violation, the offense charged, the time and place the person is to appear before a court, and any other necessary information.

Sec. 6. Minnesota Statutes 1986, section 256.98, is amended to read:

256.98 [WRONGFULLY OBTAINING ASSISTANCE; THEFT.]

A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.872, chapter 256B, is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses ~~(1)~~, (2), (3), and ~~(5)~~ (6). The amount of the assistance incorrectly paid shall be the difference between the amount of assistance actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any assistance determined to have been incorrectly paid shall be recoverable from the recipient or the recipient's estate by the county or the state as a debt due the county or the state or both in proportion to the contribution of each. Any amounts recovered shall be paid to the appropriate units of government in the same manner as provided in section 256.863. To prosecute or to recover assistance wrongfully obtained under this section, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal or civil action.

Sec. 7. Minnesota Statutes 1986, section 256B.35, subdivision 5, is amended to read:

Subd. 5. The nursing home may transfer the personal allowance to someone other than the recipient only when the recipient or the recipient's guardian or conservator designates that person in writing to receive or expend funds on behalf of the recipient and that person certifies in writing that the allowance is spent for the well being of the recipient. Persons, other than the recipient, in possession of the personal allowance, may use the allowance only for the well being of the recipient. Any person, other than the recipient, who, with intent to defraud, uses the personal needs allowance for purposes other than the well being of the recipient shall be guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses ~~(1)~~, (2), (3), and ~~(5)~~ (6). To prosecute under this subdivision, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal action. A nursing home that transfers personal needs allowance funds to a person other than the recipient in good faith and in compliance with this section shall not be held liable under this subdivision.

Sec. 8. Minnesota Statutes 1986, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) The county welfare board shall participate in a food stamp quality control system subject to the supervision of the commissioner of human services and pursuant to federal regulations.

Any person who commits any of the following acts is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (1), (2), (3), and ~~(5)~~ (6):

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

The amount of food stamps incorrectly issued shall be the difference between the amount of food stamps actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any food stamps determined to have been incorrectly issued, used, transferred or presented shall, unless otherwise determined by the county welfare board in order to prevent undue hardship, be recoverable from the recipient, or user, or the recipient's or user's estate by the county as a debt due the county.

Sec. 9. Minnesota Statutes 1986, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) To imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) To imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was a controlled substance listed in schedule 1 or 2 pursuant to section 152.02 with the exception of marijuana; or

(3) (3) To imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property or services stolen is more than \$250 but not more than \$2,500, or if the property stolen was a controlled substance listed in schedule 3, 4, or 5 pursuant to section 152.02; or

(3) (4) To imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, notwithstanding the value of the property or services stolen is not more than \$250, if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(e) The property is a firearm; or

(f) The property stolen was a motor vehicle as defined in section 609.55; or

(4) (5) To imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) (6) In all other cases where the value of the property or services stolen is \$250 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under clauses (1), (2), (3), (4), and (13) of subdivision 2 the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 10. Minnesota Statutes 1986, section 611A.01, is amended to read:

611A.01 [DEFINITIONS.]

For the purposes of sections 611A.01 to 611A.04 and 611A.06:

(a) "Crime" means conduct that is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the fact that (i) the person engaging in the conduct lacked capacity to commit the crime under the laws of this state, or (ii) the act was alleged or found to have been committed by a juvenile;

(b) "Victim" means a natural person who incurs loss or harm as a result of a crime, and for purposes of sections 611A.04 and 611A.045, also includes a corporation that incurs loss or harm as a result of a crime. If the victim is a natural person and is deceased, "victim" means the deceased's surviving spouse or next of kin; and

(c) "Juvenile" has the same meaning as given to the term "child" in section 260.015, subdivision 2.

Sec. 11. Minnesota Statutes 1986, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to request that restitution be considered as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender. The request for restitution shall be made by the victim in writing in affidavit form, describing the items or elements of loss and itemizing the total dollar amounts of restitution claimed, and the reasons justifying these amounts, if the request is for monetary or property restitution. In order to be considered by the court, the request must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing.

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation or supervised release;

(2) a request for restitution is filed by the victim or prosecutor in affidavit form as required under paragraph (a); and

(3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution, and shall state on the record its reasons for its decision on restitution if a request for restitution has been made.

Sec. 12. Minnesota Statutes 1986, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(d) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(e) (f) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section.

Sec. 13. [EFFECTIVE DATE.]

Sections 6 to 11 are effective August 1, 1987, and apply to crimes committed on or after that date. Sections 1 to 5, 12, and 13 are effective August 1, 1987."

Delete the title and insert:

"A bill for an act relating to crimes; requiring insurance companies to notify and release insurance policy information to certain law enforcement and prosecutorial authorities regarding motor vehicle thefts under investigation; prescribing higher penalties for major theft and motor vehicle theft; providing that orders of restitution may be entered in favor of corporate victims; allowing the court to amend or issue orders of restitution when the defendant is on probation or supervised release; extending the statute of limitations for certain major thefts to five years; amending Minnesota Statutes 1986, sections 90.301, subdivision 6; 256.98; 256B.35, subdivision 5; 393.07, subdivision 10; 609.52, subdivision 3; 611A.01; 611A.04, subdivision 1; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 65B."

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. 609, A bill for an act relating to government data practices; giving the department of energy and economic development access to certain employment data; amending Minnesota Statutes 1986, section 268.12, subdivision 12:

Reported the same back with the following amendments:

Page 2, line 35, after "development" insert "may have access to nonpublic data as defined in section 13.02, subdivision 9, but not to private data on individuals as defined in section 13.02, subdivision 12"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 610, A bill for an act relating to metropolitan government; regulating conflicts of interest of the metropolitan airports commission; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Page 1, line 10, delete everything after "means"

Page 1, delete lines 11 to 13, and insert "an air carrier or a business organization that acts as a fixed base operator under agreement with the commission as the commission's agent for the purpose of supplying goods and services to air carriers and other airport users."

Page 1, after line 16, insert:

"(c) "Air carrier" means any entity conducting or proposing to conduct operations at an airport owned by the commission pursuant to a certificate to conduct air transportation services in accordance with United States Code, title 49, sections 1371, 1372, 1375, 1386, 1387, 1388, or any other applicable provision of law by which the entity may conduct commercial air transportation services."

Page 1, line 20, delete """ and insert "or"

Page 1, line 21, delete everything after "treatment" and insert a period

Page 1, delete lines 22 to 25

Page 2, delete line 1

Page 2, line 7, delete "directly or indirectly"

Page 2, line 33, delete "directly or indirectly"

Page 3, line 6, delete "directly or indirectly"

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. 614, A bill for an act relating to retirement; Minneapolis teachers retirement fund association; authorizing certain amendments to its articles of incorporation affecting benefits.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [MINNEAPOLIS TEACHERS RESTRUCTURING OF RETIREMENT BENEFITS; POSTRETIREMENT ADJUSTMENT MECHANISM.]

(a) In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation by repealing article IX, subsection (18), authorizing lump sum postretirement adjustments payable to retirees or beneficiaries.

(b) In accordance with Minnesota Statutes, section 354A.12, subdivision 4, if the repeal authorized by paragraph (a) occurs, approval is granted for the Minneapolis teachers retirement fund association to amend or make an addition to its articles of incorporation as follows:

(1) Article IX, subsection (11), authorizing formula retirement annuity benefits, may be amended to authorize all teachers who retired before June 1, 1985, other than persons receiving a money purchase annuity under article IX, subsection (3), receiving a death benefit under article IX, subsection (4), item C, or receiving a total disability benefit under article IX, subsection (5), to receive as of the first day of the month following the effective date of the amendment a recomputed annuity determined according to the 1975

revised formula annuity without regard to the 30-year service limitation applicable to teachers who retired after May 1, 1974, and before June 1, 1985;

(2) Article IX, subsection (14) D, providing an annual automatic annuity increase of 1½ percent to all annuitants who have been receiving an annuity for at least 24 months and who have attained the age of 65 may be amended to increase the annual automatic increase annuity to two percent per fiscal year on January 1, or July 1, whichever applies, and to extend eligibility for that increase annuity to all annuitants who have been receiving an annuity for at least 12 months, irrespective of the attained age of the annuitant;

(3) Article IX, subsection (14), may be amended by adding a provision authorizing an increase in the annuity of any annuitant who retired on or before July 1, 1986, in the amount of four percent of the annuity the member is otherwise eligible to receive on July 1, 1987, including any other increases granted as of that date under articles of incorporation amendments authorized by the section but excluding the annual automatic increase annuity payable under article IX, subsection (14), item D, on July 1, 1987, for each full year that the member has been retired and receiving an annuity, to a maximum of 20 percent;

(4) Article IX, subsection (14), may be amended by adding a provision authorizing payment, as of July 1, 1987, of an increase in a normal retirement annuity, joint and survivor annuity or term certain optional annuity of retired teachers of the positive dollar amount difference between a minimum normal retirement annuity equal to \$25 per month for each full year of teaching service, to a maximum of 30 years, and the amount of the normal retirement annuity, joint and survivor annuity or term certain optional annuity payable on June 1, 1987, to retired teachers who were members of the basic program, who ceased active teaching service in the city public schools, who are receiving a normal retirement annuity and who have not withdrawn a portion of required member deposits upon applying for the normal retirement annuity. If the difference is not a positive dollar amount, no increase shall be payable and no reduction shall be imposed. For persons to whom a remainder portion of a joint and survivor annuity or a term certain optional annuity is payable, a proportional increase is payable; and

(5) Article IX may be amended by adding a new subsection providing for an investment related postretirement adjustment mechanism. An annual postretirement may be paid if there is any excess investment income. The determination shall be made by the board of trustees in consultation with the actuary retained by the legislative commission on pensions and retirement. The fund has excess investment income if the time weighted total rate of return earned by the fund over the most recent three year fiscal year period has exceeded the rate of eight percent or the applicable postretire-

ment interest rate assumption specified in Minnesota Statutes, section 356.215, subdivision 4d, whichever is greater. In determining the total rate of return, the board shall use the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11) and in effect on January 1, 1987. The amount by which the excess investment income exceeds the minimum interest rate shall be expressed as a percentage and carried to four decimal places. An annual postretirement adjustment is payable to a person who is receiving an annuity under article IX, subsections (8), (9), or (11), or article XI, subsection (5), who is receiving a death benefit under article IX, subsection (4), or who is receiving a joint and survivor annuity or term certain optional annuity under article IX, subsection (2), clauses (b) or (c), and who has received the annuity or benefit in the person's own right or in combination with the initial recipient of the annuity for at least 12 months as of the determination date. The determination date is June 30 and determinations shall be made as soon as practicable after that date. The board of trustees shall determine the percentage amount of the postretirement adjustment payable, but the percentage amount shall not exceed the amount by which the excess investment income exceeds the minimum interest rate. The board of trustees shall include in the provision criteria to govern the exercise of its discretion in determining the instances under which an annual postretirement adjustment of less than the full determined percentage is payable. The annual postretirement adjustment is payable on January 1 following the determination date and is payable for the duration of the annuity or benefit.

Sec. 2. [WITHDRAWAL OF AUTHORITY.]

The authority for the amendment of article IX of the articles of incorporation of the Minneapolis teachers retirement fund association adding subsection (18) to provide a lump sum postretirement adjustment to certain annuitants and survivor benefit recipients under Laws 1981, chapter 159, section 1, clause (1) is withdrawn.

Sec. 3. [EFFECTIVE DATE.]

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

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. 682, A bill for an act relating to state departments and agencies; creating a commission for the quincentennial of the Hispanic presence in the western hemisphere.

Reported the same back with the following amendments:

Page 1, before line 25, insert:

“One of the legislative members must be a member of the minority caucus.”

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 701, A bill for an act relating to public utilities; authorizing the public utilities commission to deregulate competitive telecommunications services; requiring interexchange companies to pay reasonable access fees; requiring certain companies to post a bond; prohibiting telephone companies from subsidizing competitive services from noncompetitive services; requiring telephone companies to provide full disclosure of their services and rates; authorizing the commission to require telephone companies to upgrade their services; providing that local telephone exchanges may not be sold without commission approval; requiring persons providing private shared tenant service to grant certain access; requiring the state planning agency to conduct a study on universal service assistance; amending Minnesota Statutes 1986, sections 237.01, subdivision 2, and by adding a subdivision; 237.081, subdivision 1a, and by adding a subdivision; 237.11; 237.12; 237.16, subdivision 1; 237.17; and 237.22; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1986, sections 237.13; 237.41; 237.42; and 237.43.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [237.50] [TELECOMMUNICATIONS POLICY.]

The legislature declares that it is the policy of the state to:

- (1) preserve affordable universal telecommunications service;
- (2) maintain and advance the efficiency, quality, and availability of telecommunications service;
- (3) ensure that customers pay only reasonable charges for telecommunications services;
- (4) ensure that rates for noncompetitive telecommunications services do not subsidize the competitive ventures of regulated telecommunications companies;

(5) promote diversity in the supply of telecommunications services and products in telecommunications markets throughout the state;

(6) ensure that all telecommunications services bear a fair and reasonable share of the costs of facilities used in providing the services;

(7) ensure that customers throughout the state are not subject to unreasonable discrimination in the price or availability of telecommunications services;

(8) remove in an orderly manner unnecessary regulatory requirements on telecommunications providers or specific telecommunications services where effective and fair competition is found;

(9) make regulation of telephone companies administratively efficient;

(10) minimize disparities between urban and rural areas of the state; and

(11) foster development of the telecommunications infrastructure to encourage telecommunications-related economic development.

Sec. 2. [237.51] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 20 have the meanings given them in this section.

Subd. 2. [EFFECTIVE COMPETITION.] "Effective competition" exists when the criteria of section 4, subdivision 4, have been satisfied for a service.

Subd. 3. [EMERGING COMPETITION.] "Emerging competition" exists when the criteria of section 4, subdivision 4, have not been satisfied, but there is a trend toward effective competition.

Subd. 4. [COMPETITIVE SERVICE.] "Competitive service" means a service that has been determined to be nonessential or to be subject to effective competition or emerging competition.

Subd. 5. [NONCOMPETITIVE SERVICE.] "Noncompetitive service" means a service that has not been classified as competitive by the commission.

Subd. 6. [NONESENTIAL SERVICE.] "Nonessential service" means a service that is not essential to the well-being of the customer.

Sec. 3. [237.52] [CONTINUED REGULATION OF NONCOMPETITIVE, ESSENTIAL SERVICES.]

Subdivision 1. [APPLICABILITY.] Sections 3, 4, 5, and 7 do not apply to a telephone company unless the company notifies the public utilities commission in writing of its decision to be subject to all of those sections. The company may not revoke its decision to be subject to those sections.

Subd. 2. [RATE CHANGE PROCEDURES.] A company may change its rates and charges for the following noncompetitive, essential services identified in subdivision 3 by complying with section 237.075 and sections 7 and 8. The commission may also investigate matters related to the provision of these services and make orders relating to the services as may be appropriate under section 237.081.

Subd. 3. [SPECIFIC SERVICES.] The noncompetitive, essential services covered by this section are:

(1) single and multiparty flat-rate, metered, and measured local residential lines and usage;

(2) single and multiparty flat-rate, metered, and measured business lines and usage;

(3) extended area service;

(4) flat-rate key system lines;

(5) flat-rate private branch exchange trunks;

(6) specialized services or equipment provided for physically handicapped customers;

(7) switched and special access services to the local network, excluding billing and collection services, provided to other telephone companies;

(8) civil aid defense warning services;

(9) residential and one-and two-line business touch-tone service;

(10) residential and one-and two-line business speed calling, three-way call, call-waiting and call-forwarding (call transfer) services, and remote call-forwarding services;

(11) universal emergency number service "911";

(12) public interexchange carrier access service;

(13) semipublic message-rate service;

(14) semipublic flat-rate service;

(15) directory assistance service; and

(16) installation and service charges related to the services in clauses (1) to (5), as identified in the company's local exchange tariffs as of the effective date of its notification under subdivision 1.

A telephone company may not discontinue any of these services without the express approval of the commission.

Subd. 4. [OTHER SERVICES.] Services except those identified in subdivision 3 are deemed to be either nonessential or subject to emerging competition unless and until a different determination is made under section 4 or 5, subdivision 7.

Sec. 4. [237.53] [CLASSIFICATION OF COMPETITIVE SERVICES; HEARING.]

Subdivision 1. [PETITION.] A person, or the commission on its own motion, may petition to have a service of a telephone company classified as subject to effective competition or emerging competition. The petition must be served on the commission, the department of public service, the office of the attorney general, and any other person designated by the commission. The petition must contain at least:

(1) a list of the known alternative providers of the service available to the company's customers;

(2) an estimate of the company's current market share;

(3) identification of barriers to entry or exit from the market for the service; and

(4) a description of affiliate relationships with any other provider of the service in the company's market.

Subd. 2. [EXPEDITED PROCEEDING.] A person who files a petition under subdivision 1 may request that the commission determine the classification of the service through an expedited proceeding under section 6 or a contested case hearing. If an expedited proceeding is requested, the commission must provide interested persons an opportunity to comment on the appropriateness of the process and the merits of the petition.

When an expedited proceeding is requested, the commission must make a final determination within 60 days of the date on which all

required information required pursuant to subdivision 1 is filed, unless during the 60 days the commission finds that a material issue of fact is in dispute in which case it must order a contested case hearing be conducted to evaluate the petition.

Subd. 3. [CONTESTED CASE HEARING.] If a contested case hearing is held under this section, the commission shall make a final determination on the petition within eight months from the date the petitioning party requests a contested case hearing or from the date the commission orders a contested case hearing under subdivision 2. When a contested case hearing is requested in the petition or when the commission acts on its own motion, this deadline may be extended for no more than 60 days by agreement of all parties or by order of the commission if the commission finds that the case cannot be completed within the required time and that without an extension there is substantial probability that the public interest will be harmed.

Subd. 4. [CRITERIA.] (a) In determining whether a service is subject to either effective competition or emerging competition from available alternative services, the commission shall consider and make findings on the following factors:

(1) the number and sizes of alternative providers of service and affiliation to other providers;

(2) the extent to which services are available from alternative providers in the relevant market;

(3) the ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions of service;

(4) the market share, the ability of the market to hold prices close to cost, and other economic measures of market power; and

(5) the necessity of the service to the well-being of the customer.

(b) In order for the commission to find a service subject to effective competition the alternative service must be available to over 50 percent of the company's customers for that service.

(c) In order for the commission to find a service subject to emerging competition the alternative service must be available to over 20 percent of the company's customers for that service.

Subd. 5. [BURDEN OF PROOF.] The person that files the petition under subdivision 1 has the burden of proving that competition exists and that classifying the service as other than noncompetitive will serve the public interest.

Subd. 6. [INTERIM RELIEF.] A telephone company that has a petition pending before the commission under this section to declare a service competitive may decrease its price for that service without

notice while the commission considers the petition. A company must provide an incremental cost study if requested by the commission. The commission shall suspend a company's right under this subdivision to decrease rates if, after an expedited hearing conducted under subdivision 2, the commission finds that the service is being priced below cost, or that the company has within the previous 12 months charged customers interim rates under this subdivision for the same service, and that service was determined by the commission to be noncompetitive.

Sec. 5. [237.54] [EFFECTIVE COMPETITION.]

Subdivision 1. [RATE CHANGE; EFFECTIVE COMPETITION.] A company whose service has been determined to be subject to effective competition may decrease the rate for that service effective without notice to its customers or the commission, and may increase the rate for that service effective upon notice to its customers at least one billing cycle in advance of the increase. A company whose service is declared subject to effective competition is not subject to the requirements of section 237.07 for that service. When an interLATA long distance service is classified as subject to effective competition, it must be so classified for all providers of that service.

Subd. 2. [RATE CHANGE; EMERGING COMPETITION.] A company must file a price list for nonessential services and services subject to emerging competition with the public utilities commission and the department of public service. Price lists must contain the rates, toll, and charges for every kind of service together with the rules, regulations, and classifications used in conducting the telephone business. This chapter does not prohibit a telephone company from including limitations on liability as terms or conditions in the price lists. A company may decrease the rate for a nonessential service or service subject to emerging competition that is listed in the price list, effective ten days after filing a new price list with the commission. A company may increase the rate for a nonessential service or a service subject to emerging competition effective 30 days after notice is given to affected customers, the commission, and the department. The notice to the commission and the department for a rate increase must include an incremental cost study supporting the increase. The department shall investigate an increase or decrease in rates and report its findings to the commission. The commission may, after a contested case hearing or an expedited hearing under section 4, subdivision 2, order price adjustments retroactive to the date the price change went into effect and order the company to make necessary refunds to affected customers if the commission finds that the price charged by the company is excessive. A refund must be ordered within ten months of the date of the notice of the rate change.

Subd. 3. [DISCRIMINATION.] No telephone company shall offer telecommunications service within the state upon terms or rates

that are unreasonably discriminatory. No telephone company shall unreasonably limit its service offerings to particular geographic areas unless facilities necessary for the service are not available and cannot be made available at reasonable costs. The rates of a telephone company must be the same in all geographic locations of the state unless for good cause the commission approves different rates. A company that offers long-distance services shall charge uniform rates and charges on all long-distance routes and in all geographic areas in the state where it offers the services. However, a company may offer or provide volume discounts in connection with intrastate long-distance services and may pass through any state, municipal, or local taxes in the specific geographic areas from which the taxes originate. Nothing in this subdivision authorizes a telephone company to provide service outside of its franchised service area except as provided in section 237.16.

Subd. 4. [COST OF SERVICE.] Prices or rates charged for competitive services must cover the incremental costs of providing the service. If a telephone company provides both local service and long distance toll services, that company shall, in determining the cost of toll, include at least the same level of contribution to common and joint costs as is contained in the access charges to other telephone companies. The company may do so on an aggregate basis, instead of on a time or mileage band basis.

Subd. 5. [REPORTING REQUIREMENTS; EXCEPTION.] A telephone company that offers only competitive services is not subject to the accounting and reporting requirements of this chapter unless otherwise ordered by the commission for good cause. A telephone company that offers both competitive and noncompetitive services is not subject to the reporting requirements with regard to its effective competition services.

Subd. 6. [COMPLAINTS.] Competitive and nonessential services are subject to the complaint procedures of section 237.081. In a complaint proceeding, the company providing the service bears the burden of proving that the prices charged cover its incremental costs and a reasonable contribution to the common and joint costs of the company and are fair, just, and reasonable.

Subd. 7. [REGULATION REINSTATED.] The commission, on its own motion or upon complaint, shall reclassify a service as noncompetitive or as subject to emerging competition and reinstate, in whole or in part, rate regulation of the service, if, after notice and hearing, the commission finds either:

(1) that the competitive market for that service, on review of the criteria found in section 4, subdivision 4, has failed so that rate regulation of that service is necessary to protect the interest of consumers, that it has considered the alternatives to rate regula-

tion, and that the benefits of rate regulation outweigh the burdens of rate regulation; or

(2) that unreasonable discrimination has occurred between different areas of the state.

In a proceeding begun under this section to reclassify a service, except in a proceeding begun by a provider of telephone services, the telephone company bears the burden of proving that the services are appropriately classified. In a proceeding begun under this section by a provider of telephone services, that party bears the burden of proving that the existing classification is inappropriate.

Sec. 6. [237.55] [EXPEDITED PROCEEDINGS.]

Notwithstanding chapter 14, the commission may conduct an expedited proceeding when authorized under this chapter. In an expedited proceeding, the commission shall give prior notice to interested persons and provide them with an opportunity to present statements of fact and argument and to reply, either orally or in writing or both. In an expedited proceeding, the pleadings must be verified, and oral statements of fact must be made under oath or affirmation. The commission shall make a decision in an expedited proceeding based on the record.

Sec. 7. [237.56] [GENERAL RATE PROCEEDINGS; JOINT COSTS; NONCOMPETITIVE SERVICES.]

Subdivision 1. [FINANCIAL REQUIREMENTS.] Paragraph (a) or (b) governs a proceeding initiated under section 237.075 or 237.081 to change the rates for noncompetitive services. The company shall elect that rate changes be made in accordance with either paragraph (a) or (b) and that election is binding on the commission in all respects.

(a) The company may demonstrate the revenue requirement for its noncompetitive services by providing:

(1) revenues, expenses, and embedded investments directly related to the provision of the noncompetitive services;

(2) a reasonable portion of the net income generated jointly or arising from jointly competitive and noncompetitive services, and net income received by a telephone company as a result of the sale of telephone number listings, charges and advertising for use in white pages, yellow pages, other directory and other related services, must be treated as arising jointly from competitive and noncompetitive services; and

(3) a reasonable portion of the company's total joint and common costs to be attributable to the provision of the noncompetitive services.

(b) Alternatively, the company may demonstrate the revenue requirement for its noncompetitive services by providing:

(1) revenues, expenses, and embedded investments related to all of its services; and

(2) to the extent that the company's embedded costs for competitive services, and a reasonable portion of the joint and common costs attributable to the competitive services, exceed the revenues produced by those competitive services, the difference must be added to the company's total revenues.

Subd. 2. [CROSS-SUBSIDIZATION.] A telephone company shall not subsidize its competitive services from its noncompetitive services through allocations of costs, cost-sharing agreements, or by other means, direct or indirect. When an investment is for both noncompetitive and competitive services, the company shall demonstrate that the benefits received by the noncompetitive customers justify the allocation of costs proposed by the company. Allocations and cost assignments must be reviewed at least every five years and a report detailing the methods and results must be filed with the department and the commission. An independent telephone company or a municipal or cooperative telephone association is not required to file a report as required by this subdivision provided that its allocations and cost assignments are subject to review upon order of the commission. If the commission determines that the methods chosen by the company are not satisfactory, the commission may order changes in the methods used and make necessary prospective adjustments in noncompetitive rates being charged to reflect the changes in cost.

Subd. 3. [ADDITIONAL INFORMATION.] The commission may require a telephone company to provide information regarding the revenues, expenses, investments, and costs for all of its services.

Sec. 8. [237.57] [MISCELLANEOUS TARIFFS.]

Subdivision 1. [GENERAL.] Notwithstanding section 237.075, rates for noncompetitive services may be set or changed subject to this section.

Subd. 2. [LANGUAGE CHANGES.] If language describing a rate, term, or condition of service in a tariff is changed, without substantially altering the application of the tariff, the change may take effect upon one-day notice to the public utilities commission.

Subd. 3. [COST INCREASES.] If the actual costs of providing a particular service have increased since the last proceeding under section 237.075, the rate for that service may be increased to recover those costs. The company requesting this rate increase shall file with its request the cost data it relies upon for the increase. The department of public service shall review the request and make a recommendation to the commission regarding the appropriateness of the request within 20 calendar days of filing the request by the telephone company. If the department notifies the company within 15 days of the filing that additional information is required, the department shall make its recommendation to the commission within 20 calendar days after receipt of that additional information. If the company fails to provide adequate information within 20 calendar days of the department request, the department shall recommend denial of the company request on the basis of failure to provide adequate information. The commission shall either approve or reject the request under this subdivision within 20 calendar days of the receipt of the department recommendation. In order to qualify as a change in costs, it must be a cost change related to a particular service rather than a general overall increase applicable to most of the company's services, and an actual change in costs must have occurred rather than the discovery of a change in costs as a result of conducting a new cost study.

Subd. 4. [REDUCING RATES.] A company may reduce its rates for one or more services effective 20 days after filing the rates with the commission.

Subd. 5. [BURDEN OF PROOF.] The burden of proof that the requested rates are reasonable under this section is on the telephone company.

Subd. 6. [FILING OF DOCUMENTS.] A copy of filings made under this section must be served on the commission, the department, and the attorney general.

Subd. 7. [COMMISSION REVIEW.] Nothing in this section prevents the commission from ordering that a requested change not take effect, or from subsequently amending the rates either through a complaint proceeding, a commission investigation, or through a proceeding conducted under section 237.075.

Sec. 9. [237.58] [REGISTRATION; BOND.]

A person, firm, or corporation seeking to offer a telephone service to the public, that is nonessential or competitive, shall register with the department of public service and the public utilities commission 30 days before beginning operation in this state. A telephone company holding authority under this chapter before August 1, 1987, does not need to register under this section. A person, firm, or corporation seeking to offer a noncompetitive essential telephone

service to the public is governed by section 237.16. Telephone companies offering services that have been found to be nonessential or competitive shall, unless waived by the commission, either post and maintain a bond or other security with the department to cover liabilities owed to customers for deposits or advance payments, or shall not require advance payments or deposits from customers.

Sec. 10. [237.59] [PRIVATE SHARED TELECOMMUNICATIONS SERVICES.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "private shared telecommunications services" means the provision of telephone services and equipment within a user group located in discrete private premises, in building complexes, campuses, or high-rise buildings, by a commercial shared services provider or by a user association, through privately owned customer premises equipment and includes the provision of connections to the facilities of a local exchange and to interexchange telecommunications companies.

Subd. 2. [REQUIREMENTS.] A person who owns or operates a building, property, complex, or other facility where a private shared telecommunications system is operated shall establish a single demarcation point for services and facilities provided by a franchised local exchange telephone company that is mutually agreeable to the property owner or operator and the telephone company. The obligation of a telephone company to provide service to a customer at a location where a private shared telecommunications system is operated is limited to providing telephone company service and facilities up to the demarcation point established for the property where the private shared telecommunications system is located.

Subd. 3. [ACCESS TO ALTERNATIVE PROVIDERS.] A tenant of a building, property, complex, or other facility where a private shared telecommunications system is operated may establish a direct connection to and receive telephone service from the regularly franchised local exchange telephone company serving the area where the private shared telecommunications system is located. At the request of a tenant where a private shared telecommunications system is operated, the owner or manager of the property shall make facilities or conduit space available to the tenant to allow the tenant to make separate connection to and to receive telephone service directly from the telephone company operating local exchange service in the area. The tenant has the choice of installing the tenant's own facilities or using the existing facilities. The facilities or conduit space must be provided by the owner or operator to the tenant at a reasonable rate and on reasonable terms and conditions. It is the obligation of the tenant to arrange for premises wire, cable, or other equipment necessary to connect the tenant's telephone equipment with the facilities of the telephone company operating local exchange service at the location of the demarcation point.

Subd. 4. [ENFORCEMENT.] If the commission finds that the owner or operator of a private shared telecommunications system has failed to comply with a request under this section, the commission may order the owner or operator to make facilities or conduit space available sufficient to allow the tenant to make separate connection with the telephone company, and provide the services at reasonable prices and on reasonable terms and conditions.

Subd. 5. [EXEMPTION.] A provider of private shared telecommunications services is exempt from section 237.16 if the telecommunications services are only provided to tenants or for the provider's own use.

Subd. 6. [SERVICE BY LOCAL TELEPHONE COMPANY.] The telephone company providing local exchange service shall provide service to anyone located within a shared services building at the demarcation point within a reasonable time upon request.

Sec. 11: [237.59] [AFFILIATED TRANSACTIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "affiliated company" means a person, company, corporation, or other entity in which the telephone company has an affiliated interest as defined under section 216B.48, subdivision 1.

Subd. 2. [RECORDS.] Telephone companies, except companies that provide only services that have been found to be competitive, shall maintain records for a period of three years documenting transactions in excess of \$50,000 with an affiliated company. The documentation must contain:

- (1) the name of the affiliate;
- (2) a description of the transaction or contract;
- (3) the dollar value of the transaction or contract;
- (4) in the case of goods and services purchased from an affiliate, evidence of efforts made by the telephone company to secure the same or functionally equivalent goods or services from a nonaffiliated supplier;
- (5) in the case of services provided to an affiliate, evidence of the fair market value of those goods or services.

Subd. 3. [COMMISSION REVIEW.] In a proceeding for the approval of rates for noncompetitive services, the burden is on the company to prove that goods or services acquired from or sold to affiliates were transferred at fair market value. The determination

of fair market value shall include but not be limited to durability, quality, service, and price.

Sec. 12. [237.60] [DISCLOSURE.]

Subdivision 1. [NOTICE OF SERVICE OPTIONS.] A telephone company, when a residential customer initially requests service or requests a change of service, and annually in the form of a bill insert, shall advise each residential customer of the price of all service options available to that customer. The requirement of an annual notice through a bill insert does not apply to interexchange service.

Subd. 2. [FILING.] Copies of both the written notices and information provided to customer service representatives concerning full disclosure must be filed once every 12 months with the commission and the department. Independent telephone companies and municipal, cooperative telephone associations are exempt from the requirements of this subdivision unless otherwise ordered by the commission.

Subd. 3. [ENFORCEMENT.] If, after an expedited procedure conducted under section 6, the commission finds that a telephone company is failing to provide full disclosure, it shall order the company to take corrective action as necessary.

Sec. 13. Minnesota Statutes 1986, section 237.01, subdivision 3, is amended to read:

Subd. 3. [INDEPENDENT TELEPHONE COMPANY.] "Independent telephone company" means a telephone company organized and operating under chapter 301 or 302A or authorized to do business in Minnesota under chapter 303 as of January 1, 1983, and providing local exchange service to fewer than 15,000 30,000 subscribers within the state.

Sec. 14. Minnesota Statutes 1986, section 237.081, subdivision 1a, is amended to read:

Subd. 1a. Upon a complaint made against any cooperative telephone association, independent telephone company, or a municipal telephone utility by any other provider of telecommunications service, the governing body of any political subdivision, or by no fewer than five percent or 100, whichever is the lesser number, of the subscribers or spouses of subscribers of the particular cooperative telephone association, independent telephone company, or municipal telephone utility, that any of the rates, tolls, tariffs, charges or schedules or any regulation, measurement, practice, act or omission affecting or relating to the production, transmission, delivery or furnishing of telephone service or any service in connection therewith is in any respect unreasonable, insufficient or unjustly discrim-

inatory, or that any service is inadequate or cannot be obtained, the commission shall proceed to make an investigation as it may deem necessary. If the commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest finds that all significant issues raised have not been resolved to its satisfaction, it shall order a hearing.

Sec. 15. Minnesota Statutes 1986, section 237.11, is amended to read:

237.11 [INSPECTION OF BOOKS OF TELEPHONE COMPANIES IN CASE OF FAILURE TO MAKE REPORTS.]

Every telephone company subject to the provisions of this chapter, wherever organized, shall keep an office in this state, and make such reports to the department as it shall from time to time require. All books, records, and files, whether they relate to competitive or noncompetitive services, and all of its property shall be at all times subject to inspection by the commission, the department, and the attorney general. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the commission, the department, and the attorney general.

In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the state treasurer to funds appropriated for the expense of the department.

The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 16. Minnesota Statutes 1986, section 237.12, is amended to read:

237.12 [CONNECTIONS BETWEEN TELEPHONE COMPANIES DISCONTINUED ONLY ON ORDER.]

Subdivision 1. [INTERCONNECTION.] When public convenience requires the same, every telephone company shall, for a reasonable compensation, permit a physical connection or connections to be made, and telephone service to be furnished between any telephone exchange system operated by it, and the telephone toll line or lines operated by another company, or between its telephone toll line or

lines and the telephone exchange system of another telephone company, or between its toll line and the toll line of another company, whenever such physical connection or connections are practicable and will not result in irreparable injury to the telephone system so compelled to be connected. The term "physical connection," as used in this section, means such number of trunk lines or complete wire circuits and connections as may be required to furnish reasonable and adequate service between such telephone lines and exchanges and shall not be deemed to provide for any connection whereby one line or circuit is to be bridged upon another line or circuit. In case of failure of the telephone companies concerned to allow or agree upon such physical connection or connections, or the terms and conditions upon which the same shall be made, application may be made to the department commission for an order requiring such connection and fixing the compensation, terms and conditions thereof, and if after investigation and hearing the department commission shall find that such physical connections will not result in irreparable injury to such telephone properties, it the commission shall by order direct that such connections be made, and prescribe reasonable conditions and compensation therefor and for the joint use thereof, and by whom the expense of making and maintaining such connection or connections shall be paid. When application is made to the department requesting physical connection it shall be presumed that such connection is necessary, and that the public convenience will be promoted thereby, and the burden of overcoming such presumption shall be upon the party resisting such application. The telephone companies so connecting shall give service over the connecting line or lines without preference to or discrimination against any service or telephone company whatever.

Subd. 2. [DISCONTINUANCE.] Wherever a physical connection or connections exist between any telephone exchange system operated by a telephone company and the toll line or lines operated by another telephone company or between its toll line or lines and the telephone exchange system of another telephone company, or between its toll line and the toll line of another telephone company, neither of the companies shall cause such connection to be severed or the service between the companies to be discontinued without first obtaining an order from the department commission upon an application for permission to discontinue such physical connection. Upon the filing of an application for discontinuance of such a connection, the department shall investigate and ascertain whether public convenience requires the continuance of such physical connection, and if the department so finds, the commission shall fix the compensation, terms and conditions of the continuance of the physical connection and service between the telephone companies.

Subd. 3. [COMPENSATION.] Telephone companies providing interexchange telecommunications services shall pay compensation to telephone companies providing local telecommunications services that includes a fair and reasonable portion of:

(1) the costs of local exchange facilities used in connection with interexchange telecommunications services, including facilities connecting a customer to local switching facilities; and

(2) the common costs of companies providing local telecommunications services.

Sec. 17. Minnesota Statutes 1986, section 237.16, subdivision 1, is amended to read:

Subdivision 1. For the purpose of bringing about uniformity of practice, the commission shall have the exclusive right to grant authority to any telephone company to construct telephone lines or exchanges for furnishing local service to subscribers in any municipality of this state, and to prescribe the terms and conditions upon which construction may be carried on, and whenever the commission grants such authority, it shall be in the form of a permit of indeterminate duration—coupled with the right to the municipality to purchase the telephone plant within the city, as hereinafter provided. No lines or equipment shall be constructed or installed for the purpose of furnishing local rural or toll telephone service to the inhabitants or telephone users in any locality in this state, where there is then in operation in the locality or territory affected thereby another telephone company already furnishing such service, without first securing from the commission a declaration, after a public hearing, that public convenience requires such proposed telephone lines or equipment; but the governing body of any municipality shall have the same powers of regulation which it now possesses with reference to the location of poles and wires so as to prevent any interference with the safe and convenient use of streets and alleys by the public.

Sec. 18. Minnesota Statutes 1986, section 237.17, is amended to read:

237.17 [EXTENSION OF LONG DISTANCE LINES.]

Any telephone company may extend its long distance lines into or through any city of this state for the furnishing of long distance service only, subject to the regulation of the governing body of such city relative to the location of the poles and wires and the preservation of the safe and convenient use of such streets and alleys to the public; provided that if such lines are to furnish service between communities or localities then served by another company, a certificate of public convenience must first be obtained as required by section 237.16.

Sec. 19. Minnesota Statutes 1986, section 237.22, is amended to read:

237.22 [DEPRECIATION; AMORTIZATION.]

The commission shall fix proper and adequate rates and methods of depreciation and amortization with respect to telephone company property and every telephone company shall conform its depreciation accounts for property used in whole or in part to provide noncompetitive services to the rates and methods fixed by the commission.

Sec. 20. [UNIVERSAL SERVICE ASSISTANCE; STUDY AND REPORT.]

The state planning agency shall conduct a study to determine whether a universal service assistance program should be adopted in order to help low-income individuals obtain and retain telephone service. The state planning agency shall seek advice from the telephone industry, the human services department, the public utilities commission, the department of public service, the attorney general, and the various nongovernmental organizations representing consumers. The state planning agency shall report its findings to the legislature by January 1, 1988.

Sec. 21. [REPEALER.]

Minnesota Statutes 1986, sections 237.13, 237.41, 237.42, and 237.43, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 12 are effective August 1, 1987, and are repealed effective August 1, 1992."

Delete the title and insert:

"A bill for an act relating to public utilities; providing for the reduced regulation of certain competitive telecommunications services, with limitations and procedures; requiring persons providing private shared tenant service to grant certain access; requiring a study and report on universal service assistance; amending Minnesota Statutes 1986, sections 237.01, subdivision 3; 237.081, subdivision 1a; 237.11; 237.12; 237.16, subdivision 1; 237.17; and 237.22; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1986, sections 237.13; 237.41; 237.42; and 237.43."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 744, A bill for an act relating to metropolitan government; adding the chair of the transit commission to membership on the metropolitan financial reporting and management advisory committee; amending Minnesota Statutes 1986, section 473.1623, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education;	\$57,500-\$70,000
Commissioner of finance;	
Commissioner of transportation;	
Commissioner of human services;	
Executive director, state board of investment;	
Commissioner of administration;	\$50,000-\$60,000
Commissioner of agriculture;	
Commissioner of commerce;	
Commissioner of corrections;	
Commissioner of jobs and training;	
Commissioner of employee relations;	
Commissioner of energy and economic development;	
Commissioner of health;	
Commissioner of labor and industry;	
Commissioner of natural resources;	
Commissioner of revenue;	
Commissioner of public safety;	
Chair, waste management board;	
Chief administrative law judge;	

office of administrative hearings;
 Director, pollution control agency;
 Director, state planning agency;
 Executive director, housing finance agency;
 Executive director, public employees
 retirement association;
 Executive director, teacher's retirement
 association;
 Executive director, state retirement system;
 Chair, metropolitan council;
~~Chair, regional transit board;~~
 Coordinator of full productivity and
 opportunity;

Commissioner of human rights;	\$40,000-\$52,500
Director, department of public service;	
Commissioner of veterans' affairs;	
Director, bureau of mediation services;	
Commissioner, public utilities commission;	
Member, transportation regulation board.	

Sec. 2. Minnesota Statutes 1986, section 15A.081, subdivision 7, is amended to read:

Subd. 7. [PART-TIME METROPOLITAN OFFICERS.] The governor shall set the salary rate within the range set forth below for the following part-time positions, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Effective July 1, 1985
Chair, metropolitan airports commission	\$15,000-\$25,000
Chair, metropolitan waste control commission	

	<u>Effective</u> <u>January 1, 1988</u>
<u>Chair, regional transit board</u>	<u>\$15,000-\$25,000</u>

Fringe benefits for unclassified employees of the metropolitan waste control commission shall not exceed those fringe benefits received by unclassified employees of the metropolitan council.

Sec. 3. Minnesota Statutes 1986, section 473.1623, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY COMMITTEE.] A financial reporting and management advisory committee is created, consisting of the chairs of the council and the following metropolitan agencies: the waste control commission, transit board, transit commission, metropolitan airports commission, and sports facilities commission. The committee is established to assist and advise the council and other governing boards in meeting the requirements of this section. Staff and administrative services for the committee must be provided by the council and the member agencies. Other agencies shall make financial information available upon request.

Sec. 4. Minnesota Statutes 1986, section 473.373, is amended by adding a subdivision to read:

Subd. 1a. [PURPOSE.] The board is established: (1) to foster effective delivery of existing transit services and encourage innovation in transit service, (2) to prepare implementation and financial plans for the metropolitan transit system, (3) to set policies and standards for implementing the transit policies and programs of the state and the transit policies of the metropolitan council in the metropolitan area, (4) to conduct transit research and evaluation, and (5) to administer state and metropolitan transit subsidies.

The board shall arrange with others for the delivery and provision of transit services and facilities. The board shall avoid, to the greatest extent possible, direct operational planning, administration, or management of specific transit services and facilities.

Sec. 5. Minnesota Statutes 1986, section 473.377, is amended by adding a subdivision to read:

Subd. 4. [FARE POLICY.] The plan must contain a statement of the policies that will govern the imposition of user charges for various types of transit service and the policies that will govern decisions by the board to change fare policy.

Sec. 6. Minnesota Statutes 1986, section 473.377, is amended by adding a subdivision to read:

Subd. 5. [LOCAL REVIEW AND COMMENT.] At least 30 days before holding the hearing required on the implementation plan or revision, the board shall submit copies of the plan or a summary of the plan to the chief administrative officer of each statutory and home rule charter city, town, and county in the metropolitan area, along with notice of the hearing and an invitation to testify and submit comments.

Sec. 7. Minnesota Statutes 1986, section 473.38, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with its annual budget, each even-numbered year the board shall prepare a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must be consistent with the board's implementation plan and must contain the elements specified in section 473.1623, subdivision 3. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the board during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium. The board shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part. The council may disapprove only for inconsistency with the policy plan of the council.

Sec. 8. Minnesota Statutes 1986, section 473.39, subdivision 1a, is amended to read:

Subd. 1a. [~~AMOUNT; I-394 FACILITIES AMOUNTS.~~] (a) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding ~~\$8,500,000~~ \$17,000,000 for ~~expenditure~~ financial assistance to the commission, as prescribed in the implementation plan of the board and the capital program of the commission. ~~Of this~~

(b) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount, no more than not exceeding \$1,500,000 ~~may be spent~~ for land acquisition and capital improvements for park and ride lots and transit transfer stations planned for the interstate highway described in section 161.123, clause (2), commonly known as I-394. These facilities may be constructed and maintained by the metropolitan transit commission. The board shall require, as a condition of financial assistance to the commission, that the commission make facilities it constructs, acquires, or improves for I-394 with funds provided under this provision available to all transit providers on a nondiscriminatory basis, as the board defines these terms.

Sec. 9. [FARES.]

The board may not alter fare policies nor may the commission alter fare schedules existing on January 1, 1987, until:

(1) the board has satisfied statutory transit and financial planning requirements by: (i) adopting plans and policies on fares, as required by Laws 1985, First Special Session chapter 10, section 30 and restated by sections 3 and 4 of this act; (ii) adopting an implementation plan under Minnesota Statutes 1986, section 473.161, that has been approved by the council, including any revisions required by the council, under Minnesota Statutes 1986, section 473.161; (iii) adopting an approved financial plan under Minnesota Statutes

1986, section 473.38, subdivision 2, as amended; and (iv) submitting the implementation and financial plans adopted under clauses (ii) and (iii) to the legislature with its request for state financial assistance; and

(2) the legislature has acted on the board's request for state financial assistance submitted under clause (1).

Sec. 10. [FEDERAL GRANTS.]

The board may not be a recipient of federal capital or operating assistance for transit until:

(1) the board has satisfied statutory planning requirements by: (i) adopting plans and policies on fares, as required by Laws 1985, First Special Session chapter 10, section 30 and restated by sections 3 and 4 of this act; (ii) adopting an implementation plan under Minnesota Statutes 1986, section 473.161, that has been approved by the council, including any revisions required by the council, under Minnesota Statutes 1986, section 473.161; (iii) adopting an approved financial plan under Minnesota Statutes 1986, section 473.38, subdivision 2, as amended; and (iv) submitting the implementation and financial plans adopted under clauses (ii) and (iii) to the legislature with its request for state financial assistance;

(2) the legislature has acted on the board's request for state financial assistance submitted under clause (1); and

(3) the board has studied and reported to the legislature on the effects, advantages, and disadvantages of transferring the authority to receive these funds from the commission to the board and on how and for what purpose the board would use the funds differently than the commission could use the funds.

Sec. 11. [ROUTE PLANNING AND SCHEDULING.]

The board shall contract with the commission or other operators or local governments for route planning and scheduling services in any configuration of new or reconfiguration of existing transit services and routes, including route planning and scheduling necessary for the test marketing program, the service bidding program, and the interstate highway described in Minnesota Statutes, section 161.123, clause (2), commonly known as I-394. Route planning and scheduling is subject to approval by the board for conformity to the board's transit implementation plans and route, schedule, and other service standards, objectives, and policies established by the board.

Sec. 12. [SERVICE BIDDING.]

The board may competitively bid transit service only in accordance with standards, procedures, and guidelines adopted by resolution of the board. The board shall establish a project advisory team to assist and advise the board in developing and implementing standards, procedures, and guidelines. The project advisory team must include representatives of the commission, the Amalgamated Transit Union Local 1005, private operators, local governments, and other persons interested in the subject. At least 60 days before adopting any standards, procedures, or guidelines for competitive bidding of transit service, the board shall hold a public hearing on the subject. The board shall publish notice of the hearing in newspapers of general circulation in the metropolitan area not less than 15 days before the hearing. At the hearing all interested persons must be afforded an opportunity to present their views orally and in writing. Following the hearing, and after considering the testimony, the board shall revise and adopt the standards, procedures, and guidelines.

Sec. 13. [APPROPRIATION.]

Subdivision 1. [AMOUNTS.] The following amounts are appropriated from to the regional transit board for the purposes and fiscal years specified:

1988 1989

- (1) Regular route MTC service
- (2) Other regular route service
- (3) Metro mobility
- (4) Small urban, rural, and replacement services
- (5) Test marketing of new services
- (6) Light rail transit studies
- (7) Planning and programs
- (8) Administration

The unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 2. [LIMITATIONS.] (a) The board may not reduce the amounts available for expenditure under subdivision 1, categories (1) to (5), or spend any money, except money received from federal grants and private contributions, for the purposes of categories (6) to (8) in addition to the amounts appropriated. The board may not transfer funds among categories except as provided in paragraph (b);

(b) The board may not transfer funds among categories until:

(1) the board has satisfied statutory transit and financial planning requirements by: (i) adopting plans and policies on fares, as required

by Laws 1985, First Special Session chapter 10, section 30 and restated by sections 3 and 4 of this act; (ii) adopting an implementation plan under Minnesota Statutes 1986, section 473.161, that has been approved by the council, including any revisions required by the council, under Minnesota Statutes 1986, section 473.161; (iii) adopting an approved financial plan under Minnesota Statutes 1986, section 473.38, subdivision 2, as amended; and (iv) submitting the implementation and financial plans to the legislature adopted under clauses (ii) and (iii) with its request for state financial assistance; and

(2) the legislature has acted on the board's request for state financial assistance submitted under clause (1).

Sec. 14. [APPLICATION.]

Sections 3 to 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 15. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1988."

Delete the title and insert:

"A bill for an act relating to metropolitan government; adding the chair of the transit commission to membership on the metropolitan financial reporting and management advisory committee; fixing the compensation of the chair and providing duties of the regional transit board; appropriating money; amending Minnesota Statutes 1986, sections 15A.081, subdivisions 1 and 7; 473.1623, subdivision 2; 473.373, by adding a subdivision; 473.377, by adding subdivisions; 473.38, subdivision 2; and 473.39, subdivision 1a."

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. 758, A bill for an act relating to occupations and professions; establishing a board of marriage and family therapy; licensing and regulating marriage and family therapists; providing penalties; appropriating money; amending Minnesota Statutes

1986, section 214.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 148B.

Reported the same back with the following amendments:

Page 6, after line 30, insert:

“Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NONPROFIT AGENCIES WITH A MINORITY FOCUS.] The licensure of marriage and family therapists who are employed by federally recognized tribes and private nonprofit agency marriage and family therapists, whose primary service focus addresses ethnic minority populations and who are themselves members of ethnic minority populations within said agencies, shall be voluntary for a period of five years at which time the legislature will review the need for mandatory licensure for all marriage and family therapists.”

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 822, A bill for an act relating to commerce; requiring that solicitations for new open-end credit contain specific disclosures respecting conditions and costs; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 334.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [325G.40] [CITATION.]

Sections 325G.40 to 325G.45 may be cited as the “credit card disclosure act.”

Sec. 2. [325G.41] [DEFINITIONS AND COMPUTATIONS.]

Subdivision 1. Except as otherwise provided, the terms used in sections 325G.40 to 325G.45 have the meanings prescribed in the Code of Federal Regulations, title 12, part 226. Except as otherwise provided, the computations required under sections 325G.40 to 325G.45 shall be made as provided in the Code of Federal Regulations, title 12, part 226.

Subd. 2. "Credit card application" means any written form, document, or material distributed by or on behalf of a creditor and designed to be used by a consumer to request or accept the issuance of a credit card.

Subd. 3. "Creditor" includes any credit card issuer that extends either open-end credit or credit that is not subject to a finance charge and is not payable in installments.

Sec. 3. [325G.42] [CREDIT CARD DISCLOSURES.]

Subdivision 1. [REQUIRED DISCLOSURES.] Any credit card application distributed in this state must disclose the following terms of the credit card plan, if applicable:

(1) Any periodic rate or rates that may be applied to the account, expressed as an annual percentage rate or rates. If the account is subject to a variable rate, the creditor may disclose the rate as of a specific date and indicate that the rate may vary, or may identify the index and any amount or percentage added to, or subtracted from, that index and used to determine the rate. For purposes of this section, the amount or percentage shall be referred to as the "spread." If charges incurred by use of the credit card are due and payable upon receipt of a periodic statement of charges, then that fact shall be disclosed.

(2) Any membership, participation, or other fee that may be imposed as a condition of the issuance or renewal of a credit card, expressed as an annual amount.

(3) Any minimum, fixed, transaction, activity or similar charge.

(4) Any other fees that may be charged to the account, including late payment fees and charges for exceeding credit limits.

(5) The date or occasion upon which the finance charge, if any, begins to accrue on a transaction.

Subd. 2. [FORM OF DISCLOSURES.] The disclosures required under this section shall be written in plain language, as defined in section 325G.11; shall be in bold face type of a minimum size of ten points; shall be clear and conspicuous; and shall be prominently set apart from the remaining portions of the credit card application or other written material, by the use of margins, enclosures, underlining, contrasting colors, or similar methods.

Subd. 3. [OPTIONAL DISCLOSURE CHART.] A creditor need not present the disclosures required by subdivision 1 of this section in any specific form other than as provided in subdivision 2. However, disclosures shall be conclusively presumed to satisfy the require-

ments of subdivision 1 if the required disclosures satisfy the requirements of subdivision 2 and are presented in a chart, substantially similar to the following description:

(1) The chart shall consist of contiguous boxes, and each required disclosure shall appear exclusively within one of the boxes.

(2) The first box shall contain the wording "Annual Percentage Rate" in capital letters, underneath which the creditor's rate will appear. If the rate is a variable rate, the creditor may eliminate the box, leave the box blank, or indicate "no," "none," or "does not apply." If the creditor does not impose a periodic rate but instead requires that credit incurred by use of the credit card be repaid upon receipt of a periodic statement of charges, then the first box shall state "Full payment due upon receipt of billing statement."

(3) The second box shall contain the wording "Variable Rate Index and Spread" in capital letters, underneath which the creditor's rate will appear. If the rate is a fixed rate, or if full payment is due upon receipt of a periodic statement of charges, then the creditor may eliminate the box, leave the box blank, or indicate "no," or "none," or "does not apply."

(4) The third box shall contain the wording "Other Fees" in capital letters and shall disclose all other fees, including late payment penalties and any charges for exceeding the credit limit.

(5) The fourth box shall contain the wording "Annual Fee" in capital letters, beneath which the appropriate information shall be disclosed.

(6) The fifth box shall contain the wording "Transaction Fee" in capital letters, underneath which the appropriate information shall be disclosed.

(7) The sixth box shall contain the wording "Free Period" or "Grace Period," in capital letters, underneath which the appropriate information shall be disclosed. For example, "30 days" or "yes, if full payment is received by next billing date" or "yes, if full new balance is paid by due date."

Subd. 4. [ADDITIONAL DISCLOSURES PERMITTED.] Nothing in this section prohibits a creditor from disclosing additional terms, conditions, or information, whether or not relating to the disclosures required under this section, in conjunction with the disclosures required by this section.

Subd. 5. [EXCEPTION.] This section does not apply to any advertisement, catalogue, or other written document or material which does not contain a credit card application.

Sec. 4. [325G.43] [PENALTIES.]

A person violating section 325G.42 is subject to the penalties provided in section 8.31.

Sec. 5. [325G.44] [DAMAGES.]

A person injured by a violation of section 325G.42 may recover actual damages in an action other than a class action, together with costs and disbursements, including a reasonable attorney's fee and receive other equitable relief as determined by the court.

Sec. 6. [325G.45] [FEDERAL LAW.]

If a creditor is required under federal law to make disclosure of the terms required in section 325G.42, and the creditor makes such disclosures in connection with the distribution of a credit card application, then the creditor shall be deemed to have complied with the requirements of section 325G.42 if the creditor complies with the federal disclosure requirement.

Sec. 7. [325G.46] [NOTIFICATION OF ANNUAL FEE.]

The customer must be notified of the amount of the annual fee, if any, and the date the fee is payable at least 30 days before the account is charged for the fee, and during that 30-day period the customer may cancel the open-end credit plan without penalty other than payment of any outstanding balance.

Sec. 8. [EFFECTIVE DATE.]

This act is effective June 30, 1988."

Delete the title and insert:

"A bill for an act relating to commerce; requiring that credit card applications contain specific disclosures respecting conditions and costs; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325G."

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. 829, A bill for an act relating to human services; establishing the office of assistant commissioner of mental health;

establishing a state advisory council on mental health; creating a mental health division in the department of human services; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 3, after line 34, insert:

"Terms, compensation, and removal of members and filling of vacancies are governed by section 15.059, except that members shall not receive a per diem. The council does not expire as provided in section 15.059."

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. 837, A bill for an act relating to natural resources; creating the state board of water and land resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1986, sections 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2.

Reported the same back with the following amendments:

Page 8, line 3, delete "board may contract" and insert "commissioner of administration shall provide and make available within the department of agriculture suitable and adequate office facilities and space for the board. The commissioner of agriculture shall provide and make available administrative services required by the board in administration of its functions."

Page 8, delete lines 4 to 6

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. 849, A bill for an act relating to Indian child welfare; establishing direct grants to tribal governments, Indian social service organizations, and local social service agencies to fund Indian child welfare programs; establishing an Indian child welfare advisory council; amending Minnesota Statutes 1986, sections 257.35; and 257.351, subdivision 15, and by adding subdivisions; 257.354, subdivision 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 245.76.

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. 938, A bill for an act relating to retirement; regulating workers' compensation offsets to public employee retirement association benefits; amending Minnesota Statutes 1986, sections 353.29, subdivision 2; 353.33, subdivision 5, and by adding a subdivision; 353.651, subdivision 2; 353.656, subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 7, delete "personal lifetime" and insert "single life annuity actuarial equivalent"

Page 2, line 20, delete "receiving" and insert "eligible to receive a" and delete "payments"

Page 2, line 21, delete "pursuant to" and insert "under the provisions of"

Page 2, line 25, delete everything after the third comma

Page 2, delete lines 26 and 27

Page 2, line 28, delete "that amount" and insert "calculated"

Page 3, lines 26 and 27, reinstate the stricken language

Page 3, line 27, delete "personal lifetime" and insert "single life annuity actuarial equivalent"

Page 4, line 3, delete "receiving" and insert "eligible to receive a"

Page 4, line 4, delete "payments pursuant to" and insert "under the provisions of"

Page 4, line 8, delete everything after the third comma

Page 4, delete lines 9 and 10

Page 4, line 11, delete "that amount" and insert "calculated"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 943, A bill for an act relating to the attorney general; creating a consumer protection account; providing for its administration; amending Minnesota Statutes 1986, section 8.31, subdivisions 2b, 3, and by adding subdivisions.

Reported the same back with the following amendments:

Page 2, delete lines 4 to 13 and insert:

"Subd. 2c. [CONSUMER EDUCATION ACCOUNT.] If a court of competent jurisdiction finds that a sum recovered under this section for the benefit of injured persons cannot reasonably be distributed to the victims, because the victims cannot readily be located or identified, or because the cost of distributing the money would outweigh the benefit to the victims, then the court may order that the money be paid into a consumer education account. All such sums shall be deposited into the state treasury and credited to the consumer education account. All money in the consumer education account is appropriated to the attorney general for the following purposes:

(a) To prepare and distribute educational materials to inform the public regarding consumer protection laws and consumer rights;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of consumers and businesses; and

(c) To contract for or conduct educational or research projects in the field of consumer protection, to further the purposes of the laws referred to in subdivision 1."

Page 2, line 21, strike "and" and insert a comma

Page 2, line 23, before the period insert "as provided in subdivision 3c"

Page 2, line 34, after "treasury" insert a comma and delete "except money may be" and insert "but sums recovered and deposited pursuant to subdivision 2c shall be credited to"

Page 2, line 35, delete "deposited into"

Page 3, delete lines 9 to 11 and insert "persons. Upon the order of a court having jurisdiction over the matter, reasonable fees and expenses may be paid to the administrator out of any sums recovered under this section or administered by the administrator."

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. 1030, A bill for an act relating to water pollution; providing for grants and loans for the construction and rehabilitation of wastewater treatment facilities and systems; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1986, sections 116.16, subdivision 5; 116.167; 116.18, subdivisions 2a, 3a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 2, lines 15 to 22, delete the new language and insert:

"For purposes of awarding independent state grants, the agency may waive the federal 20-year planning requirement for municipalities with populations of less than 1,500."

Page 3, line 36, after "rules" delete "and may adopt emergency"

Page 4, line 1, delete "rules"

Page 4, line 13, delete "25" and insert "50"

Page 4, line 13, after "percent" insert "of the nonfederal share"

Page 4, line 16, strike the semicolon, strike the remaining language and insert a period

Page 4, lines 17 to 24, delete all new language and strike all existing language

Page 6, line 29, after "permit" insert "over 20 years"

Page 7, line 5, after "rules" delete "and may adopt"

Page 7, line 6, delete "emergency rules"

Page 8, line 2, after "permanent" delete "and emergency"

Page 8, line 17, before the period insert "to projects funded under the federal Water Pollution Control Act or the independent state grants program"

Page 9, line 13 to page 11, line 4, delete sections 8, 9, and 10

Page 11, line 8, delete "June 30, 1989" and insert "expended"

Renumber the remaining section

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. 1039, A bill for an act relating to occupations and professions; providing for the licensure of private detectives and protective agents; providing definitions; providing board powers and duties; specifying application and administrative procedure; authorizing rulemaking; requiring payment of fees; providing penalties; amending Minnesota Statutes 1986, sections 326.32, subdivisions 1, 5, 11, and by adding subdivisions; 326.33, subdivisions 1 and 2; 326.336; 326.338, subdivision 1, and by adding a subdivision; and 326.339; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1986, sections 326.32, subdivisions 6 and 7; 326.33, subdivisions 3, 4, and 5; 326.331; 326.332; 326.333; 326.334; 326.337; and 326.338, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 3, line 1, after "superintendent," insert "and the following members appointed by the commissioner of public safety:"

Page 12, line 15, delete the second "a" and insert ";

(1) a surety bond to the state of Minnesota in the penal sum of \$10,000 has been executed and filed with the board. The surety bond must be executed by a company authorized to do business in the state of Minnesota, must name the applicant as principal, and must state that the applicant and each of the applicant's employees shall faithfully observe all of the laws of Minnesota and of the United States, and shall pay all damages suffered by any person by reason of the violation of any such law by the applicant, or by the commission of any willful and malicious wrong by the applicant in the course of such business; and

(2) the applicant furnishes proof, acceptable to the board, of the applicant's ability to respond in damages for liability on account of accidents or wrongdoings arising out of the ownership and operation of a private detective or protective agent business. Proof of financial responsibility may be given by filing with the board one of the following:

(a) a certificate of insurance demonstrating coverage for general liability, completed operations, and personal injury. Personal injury insurance must include: (i) false arrest, detention, imprisonment, and malicious prosecution; (ii) libel, slander, defamation, and violation of rights of privacy; and (iii) wrongful entry, eviction, and other invasion of rights of private occupancy. The certificate must provide that the insurance shall not be modified or canceled unless 30 days prior notice is given to the board.

(b) an annual net worth statement, signed by a licensed certified public accountant evidencing that the applicant has a net worth of at least the following: (i) for an applicant with no employees, \$10,000; (ii) for an applicant with 1 to 10 employees, \$15,000; (iii) for an applicant with 11 to 25 employees, \$25,000; (iv) for an applicant with 26 to 50 employees, \$50,000; (v) for an applicant with 51 or more employees, \$100,000.

Data indicating which of the above requirements an applicant must comply with is public data. The contents of the net worth statement are private data on individuals or nonpublic data, as defined in section 13.02.

(c) an irrevocable letter of credit from a financial institution acceptable to the board in the amount listed in the categories in subdivision (b)."

Page 12, delete lines 16 to 19

Page 13, line 5, delete "INSURANCE" and insert "BOND AND PROOF OF FINANCIAL RESPONSIBILITY"

Page 13, line 6, delete everything after "a" and insert "\$10,000 surety bond, and show proof of financial responsibility as required in section 17, subdivision 3."

Page 13, delete line 7

Page 13, line 10, after "display" insert ", in a manner that implies that the person is an employee or agent of a governmental agency."

Page 13, line 13, after "highway patrol," insert "sheriff,"

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

The report was adopted.

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

H. F. No. 1043, A bill for an act relating to metropolitan government; providing for qualifications of commission members, budget criteria, plans, and reports; amending Minnesota Statutes 1986, sections 473.141, subdivision 2, and by adding a subdivision; 473.161, subdivision 1c; 473.1623, subdivisions 4 and 5; 473.303, by adding a subdivision; 473.377, subdivision 1; and 473.604, subdivision 1, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 473.141, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each agency consists of eight members, plus a chair appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members on a nonpartisan basis after consultation with the members of the legislature from the district for which the member is to be appointed. The consultation with legislators in the affected district must include informing each legislator of the name, address, and background of each candidate for appointment and soliciting and reporting to the appointments committee the recommendations of each legislator on the appointment.

(b) In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The council shall notify in writing the

governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which the member is to be appointed. The notices must describe the appointment process and invite participation and recommendations on the appointment.

(c) The council shall establish an appointments committee, composed of members of the council, to screen and review candidates. Following the submission of member applications to the metropolitan council as provided under section 15.0597, subdivision 5, the appointments committee shall conduct public meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the council a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each. In making its recommendation, the committee specifically shall consider evidence of the candidate's commitment to regularly communicate on issues before the agency with metropolitan council members, legislators, and local elected officials in the district, and the committee shall report its findings on this subject in its written report to the council.

(d) One member shall be appointed from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 10;
- (5) district E, consisting of council districts 8 and 9;
- (6) district F, consisting of council districts 11 and 12;
- (7) district G, consisting of council districts 13 and 14; and
- (8) district H, consisting of council districts 15 and 16.

Sec. 2. Minnesota Statutes 1986, section 473.141, is amended by adding a subdivision to read:

Subd. 3a. [MEMBERS; DUTIES.] Each member shall communicate regularly with metropolitan council members, legislators, and local government officials in the district the member represents.

Sec. 3. Minnesota Statutes 1986, section 473.161, subdivision 1c, is amended to read:

Subd. 1c. [SERVICES AND SYSTEMS MANAGEMENT.] The plan must include a services and systems management component that describes the levels and costs of services that will be provided to service areas and populations within the metropolitan area. The component must describe: (1) service needs, objectives, and priorities; (2) changes in existing services; (3) deployment of new services; (4) distribution and coordination of services; (5) timing, priority, and location, with maps, of service areas, routes, levels of service, and similar matters, as appropriate to the type of service; (6) delivery methods and providers; ~~(6) (7)~~ system management and administration; ~~(7)~~ (8) costs; ~~(8)~~ (9) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges; and ~~(9)~~ (10) fiscal effects.

Sec. 4. Minnesota Statutes 1986, section 473.1623, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY COMMITTEE.] A financial reporting and management advisory committee is created, consisting of the chairs of the council and the following metropolitan agencies: the waste control commission, transit board, transit commission, metropolitan airports commission, and sports facilities commission. The committee is established to assist and advise the council and other governing boards in meeting the requirements of this section. Staff and administrative services for the committee must be provided by the council and the member agencies. Other agencies shall make financial information available upon request.

Sec. 5. Minnesota Statutes 1986, section 473.1623, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REPORTING; BUDGETING.] (a) The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of the council and all metropolitan agencies. The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and quality of budgets and financial reports and on legislation that may be needed for this purpose.

(b) The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor

and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.

Sec. 6. Minnesota Statutes 1986, section 473.1623, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATIVE COORDINATION.] The advisory committee shall evaluate the benefits, costs, methods, and effects, including operational effects, of joint or uniform and coordinated exercise of powers by the council and metropolitan agencies for appropriate administrative functions. The study must include at least ongoing managerial reporting, contracts, purchasing, data processing, and personnel. The council shall report to the legislature from time to time on the findings and recommendations of the advisory committee to date by January 1, 1987, and on legal and other impediments to increased coordination of administrative functions. Before submitting the report, the council shall request comments on the report from the affected metropolitan agencies, and the comments must be submitted along with the report.

Sec. 7. [473.247] [METROPOLITAN AGENCIES; PUBLIC INFORMATION.]

The council shall publish a consolidated metropolitan bulletin or register containing official notices, meeting and hearing schedules, notices of adopted ordinances, rules, policies, and similar matters for the council and all metropolitan agencies. Metropolitan agencies shall cooperate with the council in providing timely information for publication.

Sec. 8. Minnesota Statutes 1986, section 473.303, is amended by adding a subdivision to read:

Subd. 3a. [MEMBERS; DUTIES.] Members have the duties imposed by section 2.

Sec. 9. Minnesota Statutes 1986, section 473.373, is amended by adding a subdivision to read:

Subd. 1a. [PURPOSE.] The board is established: (1) to foster effective delivery of existing transit services and encourage innova-

tion in transit service, (2) to prepare implementation and financial plans for the metropolitan transit system, (3) to set policies and standards for implementing the transit policies and programs of the state and the transit policies of the metropolitan council in the metropolitan area, (4) to conduct transit research and evaluation, and (5) to administer state and metropolitan transit subsidies.

The board shall arrange with others for the delivery and provision of transit services and facilities. The board shall avoid, to the greatest extent possible, direct operational planning, administration, or management of specific transit services and facilities.

Sec. 10. Minnesota Statutes 1986, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. The services and systems management component of the board's plan must include a description of the special transportation service provided under section 473.386. The board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council.

Sec. 11. Minnesota Statutes 1986, section 473.377, is amended by adding a subdivision to read:

Subd. 4. [FARE POLICY.] The plan must contain a statement of the policies that will govern the imposition of user charges for various types of transit service and the policies that will govern decisions by the board to change fare policy.

Sec. 12. Minnesota Statutes 1986, section 473.377, is amended by adding a subdivision to read:

Subd. 5. [LOCAL REVIEW AND COMMENT.] At least 30 days before holding the hearing required on the implementation plan or revision, the board shall submit copies of the plan or a summary of the plan to the chief administrative officer of each statutory and home rule charter city, town, and county in the metropolitan area, along with notice of the hearing and an invitation to testify and submit comments.

Sec. 13. Minnesota Statutes 1986, section 473.38, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with its annual budget, each even-numbered year the board shall prepare a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must be consistent with the

board's implementation plan and must contain the elements specified in section 473.1623, subdivision 3. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the board during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium. The board shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part. The council may disapprove only for inconsistency with the policy plan of the council.

Sec. 14. Minnesota Statutes 1986, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The following persons and their respective successors shall constitute the members and governing body of the corporation, namely:

(1) All of the members and commissioners in office January 1, 1973, for the remainder of the terms for which they were appointed or otherwise selected, respectively;

(2) The mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(3) A member of the council of each of the cities, appointed by the council for a term of four years commencing in July, 1977;

(4) A member of the park board of Minneapolis appointed by that board and a second member of the council of St. Paul, appointed by it, each for a term of two years commencing in July, 1979;

(5) One additional resident of each city, who does not hold any office under the state or any of its political subdivisions except that of notary public, herein termed a "citizen commissioner," such member in St. Paul to be appointed by the mayor, with the approval of the council, and in Minneapolis by the council, with the approval of the mayor; each for a term of two years commencing in July, 1979;

(6) Six additional members, each appointed by the governor on a nonpartisan basis, and each holding no other office under the state or any of its political subdivisions except that of notary public; for terms and with residence qualifications as follows:

(a) (1) A resident of the area of the counties of Washington and Ramsey, outside of St. Paul, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(2) A resident of the county of Anoka, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(3) Three residents of the area of the counties of Carver, Scott and Hennepin, outside Minneapolis, for a two-year term commencing in July, 1974, and their successors for a term ending July 1, 1981;

(4) A resident of the county of Dakota, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(b) As successors to all members referred to in paragraphs (2) to (6)(a), whose terms will expire in July, 1981, a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;

(7) One member appointed by the governor of the state, who shall be chair of the corporation, appointed for a term coterminous with that of the governor.

Sec. 15. Minnesota Statutes 1986, section 473.604, is amended by adding a subdivision to read:

Subd. 3a. Precinct boundaries existing on March 1, 1987, for appointments under subdivision 1 may not be changed and remain fixed until reapportionment under this subdivision. The terms of all members appointed from precincts under subdivision 1 expire on the effective date of the next apportionment of metropolitan council districts under section 473.123, subdivision 3a. Members shall continue to serve until the governor appoints eight members from newly drawn districts defined in section 473.141, subdivision 2, for terms provided in section 473.141, subdivision 4a. Thereafter, the eight members must be appointed by the governor from the districts defined in section 473.141, subdivision 2, for terms provided in section 473.141, subdivision 4a.

Sec. 16. Minnesota Statutes 1986, section 473.604, is amended by adding a subdivision to read:

Subd. 7. [MEMBERS; DUTIES.] Members appointed from precincts under subdivision 1 have the duties imposed by section 2.

Sec. 17. [REPORT; METROPOLITAN AGENCIES.]

By January 1, 1988, the council and each agency represented on the advisory committee established under section 473.1623 shall report to the legislature on the following:

(1) agency personnel practices, including an analysis of trends, compliance with legal requirements, health care and other benefits, and salary levels in comparison with relevant job markets; and

(2) ethical practices requirements for board members and employees of each agency, including the sources of the requirements, agency comparisons, and comparison with requirements for state and local government officers and employees.

Sec. 18. [ROUTE PLANNING AND SCHEDULING.]

The board shall contract with the commission or other operators or local governments for route planning and scheduling services in any configuration of new or reconfiguration of existing transit services and routes, including route planning and scheduling necessary for the test marketing program, the service bidding program, and the interstate highway described in section 161.123, clause (2), commonly known as I-394. Route planning and scheduling is subject to approval by the board for conformity to the board's transit implementation plans and route, schedule, and other service standards, objectives, and policies established by the board.

Sec. 19. [SERVICE BIDDING.]

The board may competitively bid transit service only in accordance with standards, procedures, and guidelines adopted by resolution of the board. The board shall establish a project management team to assist and advise the board in developing and implementing standards, procedures, and guidelines. The project management team must include representatives of the commission, the Amalgamated Transit Union Local 1005, private operators, local governments, and other persons interested in the subject. At least 60 days before adopting any standards, procedures, or guidelines for competitive bidding of transit service, the board shall hold a public hearing on the subject. The board shall publish notice of the hearing in newspapers of general circulation in the metropolitan area not less than 15 days before the hearing. At the hearing all interested persons must be afforded an opportunity to present their views

orally and in writing. Following the hearing, and after considering the testimony, the board shall revise and adopt the standards, procedures, and guidelines.

Sec. 20. [APPLICATION.]

Sections 1 to 19 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to metropolitan government; providing for qualifications, terms, compensation, and duties of members of various metropolitan agencies; requiring various publications, plans, and reports; regulating routes and service bidding; amending Minnesota Statutes 1986, sections 473.141, subdivision 2, and by adding a subdivision; 473.161, subdivision 1c; 473.1623, subdivisions 2, 4, and 5; 473.303, by adding a subdivision; 473.373, by adding a subdivision; 473.377, subdivision 1, and by adding subdivisions; 473.38, subdivision 2; and 473.604, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473."

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. 1052, A bill for an act relating to retirement; establishing a special retirement plan for correctional officers at correctional facilities or city or county jails; amending Minnesota Statutes 1986, sections 356.20, subdivision 2; 356.30, subdivision 3; and 356.32, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 353.

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. 1074, A bill for an act relating to small business; authorizing the bureau of small business within the department of energy and economic development to engage in certain collaborative

activities with small business development centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 2, line 12, delete "\$....." and insert "\$500,000"

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. 1217, A bill for an act relating to family law; appropriating money to the University of Minnesota for the Hubert H. Humphrey Institute of Public Affairs to study mediation in marriage dissolution cases.

Reported the same back with the following amendments:

Page 1, lines 10 and 11, delete "Hubert H. Humphrey Institute of Public Affairs" and insert "Center for Urban and Regional Affairs Conflict and Change Project"

Page 1, line 12, after the period, insert "This appropriation is not available unless matching funds in the amount of \$..... are obtained from other sources for the purpose of the study."

Amend the title as follows:

Page 1, lines 3 and 4, delete "Hubert H. Humphrey Institute of Public Affairs" and insert "Center for Urban and Regional Affairs Conflict and Change Project"

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1281, A bill for an act relating to liquor; authorizing Lake county to issue seasonal on-sale licenses.

Reported the same back with the following amendments:

Page 1, line 11, delete "six" and insert "nine"

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. 1315, A bill for an act relating to state agencies; establishing a telecommunications and computer expenditure committee; amending Minnesota Statutes 1986, section 16B.41.

Reported the same back with the following amendments:

Page 2, after line 21, insert:

"Subd. 3. The commissioner may appoint an office director and other staff. The director shall serve in the unclassified service."

Page 2, line 22, delete "3" and insert "4"

Page 2, line 29, after "agencies," insert "the supreme court,"

Amend the title as follows:

Page 1, line 2, delete "a" and insert "an"

Page 1, delete line 3 and insert "office of information systems management;"

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

The report was adopted.

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

H. F. No. 1324, A bill for an act relating to education; establishing a task force on financing post-secondary education; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the following amendments:

Page 1, line 17, delete "17" and insert "19"

Page 1, line 18, delete "and" and insert a comma

Page 1, line 19, after "council" insert ", and a representative of the Minnesota association of private post-secondary schools"

Page 2, line 5, delete "and"

Page 2, line 7, before the period insert "; and

(9) the chair of the higher education coordinating board or a designee"

Page 2, line 29, after the period insert "In addition, the higher education coordinating board shall report to the education committees of the legislature on the above subject areas by January 15, 1989."

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1366, A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for exemptions; providing for administration of licensing requirements; amending Minnesota Statutes 1986, sections 214.01, subdivision 3; 214.04, subdivision 3; 326.02, subdivision 1, and by adding a subdivision; 326.03, subdivision 1, and by adding a subdivision; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, 2a, and by adding a subdivision; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [MINNESOTA TASK FORCE ON INTERIOR DESIGNERS AND DECORATORS.]

Subdivision 1. [TASK FORCE CREATED.] The Minnesota task force on interior designers and decorators is created to be effective until January 15, 1988.

Subd. 2. [PURPOSE.] The purpose of the task force is to study whether or not licensure of interior designers or decorators, or both, is necessary to protect the health, welfare, and safety of the public. The purpose of the task force is also to determine how the disciplines of interior design and interior decorating interface with other

related professions. In assessing this interaction, the task force shall determine whether a licensing requirement gives any group an economic advantage over another rather than protects the public.

Subd. 3. [MEMBERSHIP; CHAIR.] The task force consists of 13 members as follows: 12 members appointed by the commissioner of commerce; and the executive secretary of the state board of architecture, engineering, land surveying, and landscape architecture. The executive secretary shall act as chair.

Subd. 4. [ASSISTANCE OF AGENCIES.] The task force may request information from state agencies to assist the task force in the performance of its duties.

Subd. 5. [DUTIES.] (a) The task force shall assess educational programs offered in the state of Minnesota and determine whether the programs satisfy the requirements of an effective and comprehensive approach to licensure.

(b) The task force shall determine how the discipline of interior design interfaces with other professions and whether the need and appropriateness of licensing interior designers or decorators, or both, serves the best interests of the public.

(c) If licensure is determined to be in the best interests of the public, the task force shall study the title versus practice approach. The economic consequences and ramifications of licensure with respect to the title versus practice approach shall be assessed.

(d) The task force shall study the effectiveness of an administrative board designed to govern and enforce a licensure program.

(e) The task force shall study how a board appointed by the commissioner of commerce can effectively review and compare, for purposes of licensure, out-of-state registration programs with Minnesota's proposed licensure requirements.

Subd. 6. [REPORT.] The task force shall, by January 15, 1988, submit a report containing findings and recommendations to the commissioner of commerce and the state legislature.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to occupations and professions; creating the Minnesota task force on interior designers and decorators and providing for its duties."

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. 1371, A bill for an act relating to courts; specifying certain locations for holding court in Ramsey county; providing for the disposition of fees and fines from the courts in Ramsey county; amending Minnesota Statutes 1986, section 488A.20, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 488A.

Reported the same back with the following amendments:

Page 1, line 11, delete "terms of" and after "court" insert "functions"

Page 1, delete lines 17 to 26

Page 2, delete line 1

Pages 2 to 4, delete section 2

Page 4, after line 3, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "providing for the"

Page 1, delete lines 4 and 5

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

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

The report was adopted.

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

H. F. No. 1374, A bill for an act relating to the office of the attorney general; removing the numerical limit on the number of assistant

attorneys general; authorizing the attorney general to delegate contract review duties; amending Minnesota Statutes 1986, section 8.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 8.

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. 1388, A bill for an act relating to state government; establishing a certification process in the department of transportation for set-aside programs; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 161.

Reported the same back with the following amendments:

Page 1, line 18, delete "50" and insert "51"

Page 1, line 22, delete "Spanish-speaking" and insert "Hispanic"

Page 1, lines 22 and 23, delete "American Orientals" and insert "Asian Americans"

Page 2, line 22, delete "50" and insert "51"

Page 3, line 8, after the period insert "Standards included in the rules shall, at minimum, be no less stringent than standards currently maintained by any state or metropolitan agency or political subdivision."

Page 3, line 21, delete "11" and insert "15"

Page 3, line 23, delete "Four" and insert "Two"

Page 3, line 24, delete "two" and insert "one"

Page 3, line 24, after "member" insert "each"

Page 3, line 26, after "Minnesota" insert "the Minnesota Business League, the Indian Chamber of Commerce, the Hispanic Chamber of Commerce, National Association of Women in Construction, National Association of Women Business Owners, and the Council of Asian Pacific Minnesotans"

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. 1399, A bill for an act relating to economic development; authorizing certain entities involved in economic development to participate in secondary markets; authorizing the use of appropriated money for secondary market purposes; amending Minnesota Statutes 1986, sections 116M.04, by adding a subdivision; 116M.08, by adding a subdivision; 362A.03, by adding a subdivision; 458.192, by adding a subdivision; 458C.14, by adding a subdivision; and 462.445, subdivision 4.

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. 1412, A bill for an act relating to state land; authorizing private sale of certain tax-forfeited land in Lake county to city of Two Harbors.

Reported the same back with the following amendments:

Page 1, after line 24, insert:

“Sec. 2. Minnesota Statutes 1986, section 92.67, subdivision 4, is amended to read:

Subd. 4. [TIMING OF SALES.] (a) The commissioner shall offer lakeshore cabin site lots for sale pursuant to written request and in accordance with the following schedule:

(1) as to requests received before January 1, 1987, the sale shall be held ~~in June, July, or August 1987~~ not later than October 31, 1987, if possible. However, if a lot is not offered for sale by that date, the lot shall be offered for sale at the next sale in the next year;

(2) as to requests received each calendar year after December 31, 1986, the sale shall be held in June, July, or August of the year after the request is received.

(b) The last sales shall be held in 1992. Lots not sold the first year offered may be reoffered in a succeeding year, following reappraisal if it is determined necessary by the commissioner.

(c) If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must make payment in full to the lessee at the time of the sale for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property must be rebid, if possible, at the same sale."

Page 2, line 3, after the period insert "Section 2 is effective the day following final enactment."

Renumber the remaining section in sequence

Amend the title as follows:

Page 1, line 4, before the period insert "; providing timing for 1987 sales of lakeshore lots; amending Minnesota Statutes 1986, section 92.67, subdivision 4"

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. 1435, A bill for an act relating to agriculture; providing for reduction of payment adjustment obligations; authorizing principal buy-down for certain loans; establishing a special fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41.

Reported the same back with the following amendments:

Page 3, after line 33, insert:

"Sec. 3. [41.66] [PARTICIPANT-LENDER WITHDRAWAL.]

Subdivision 1. [APPLICATION.] A participant and a lender may submit a request to the commissioner for complete withdrawal from the program. If approved, the lender would release the commissioner from any further obligations under the loan guarantee and the commissioner would release the participant from any obligations the participant may have under either section 41.57, subdivision 2 or 41.56, subdivision 3.

Subd. 2. [APPROVAL DECISION.] The commissioner shall submit all applications to the executive council with a recommendation.

A written notification of the executive council's decision must be sent to the participant.

Page 3, line 34, delete "41.66" and insert "41.67"

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.

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

H. F. No. 1453, A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating a division of science and technology within the department of energy and economic development; creating a committee on science and technology research and development and providing for its powers and duties; appropriating money; amending Minnesota Statutes 1986, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94.

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. 1468, A bill for an act relating to education; adopting a common course numbering system for higher education; assigning the planning for implementation of a common course numbering system for higher education to a task force assisted by the staff of the higher education coordinating board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TASK FORCE.]

Subdivision 1. [ESTABLISHED.] A task force on common course numbering in post-secondary education is established. The purpose

of the task force is to study and report on the benefits to students, cost, and feasibility of implementing a common course numbering system.

Subd. 2. [MEMBERSHIP.] The task force consists of 25 members as follows: one system level administrator experienced in transfer of credit issues, one campus level administrator experienced in curriculum development issues, and two faculty members appointed by each of the post-secondary systems: the AVTI's, the community colleges, the state universities, the University of Minnesota, and the private colleges, and one student representative from each post-secondary system appointed by the student advisory council.

Subd. 3. [DUTIES.] The task force shall study the expected outcomes and benefits of expanded course equivalency, a common course numbering system for higher education, more accessible transfer information, and students' opportunities for completion of their undergraduate educations. It is expected that AVTIs will be included in these recommendations when they change to a course credit hour basis.

The task force study and report shall be coordinated by the higher education coordinating board.

Subd. 4. [HECB ROLE.] The higher education coordinating board shall provide all necessary staff assistance and information to the task force. Compensation of task force members must be according to Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. [REPORT.] By February 1, 1988, the task force shall submit to the education committees of the legislature its report and recommendations. The task force terminates on June 30, 1988.

Sec. 2. [APPROPRIATION.]

\$40,000 in fiscal year 1988 is appropriated from the general fund to the higher education coordinating board for the purposes of section 1."

Delete the title and insert:

"A bill for an act relating to education; establishing a task force on common course numbering in post-secondary education; appropriating money."

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. 1505, A bill for an act relating to state government; creating an international music and communications arts center task force; appropriating money.

Reported the same back with the following amendments:

Page 1, line 25, delete "15.0597" and insert "15.059"

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. 1508, A bill for an act relating to peace officers; eliminating the bureau of criminal apprehension's duty to supply a training schedule to the peace officer standards and training board; authorizing the bureau of criminal apprehension to charge a fee for certain training courses; amending Minnesota Statutes 1986, section 626.852; repealing Minnesota Statutes 1986, section 626.849.

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. 1525, A bill for an act relating to corrections; raising fees for reinstatement of drivers licenses; changing allocation of fees; amending Minnesota Statutes 1986, section 171.29, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 18, delete "37.5" and insert "25"

Page 1, line 20, delete "37.5" and insert "50"

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

S. F. No. 94, A bill for an act relating to public health; requiring an itemized billing for hearing aid repairs; amending Minnesota Statutes 1986, section 145.43, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, before the period insert "provided the cost of the repairs is \$150 or more"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 246, 285, 297, 350, 388, 389, 413, 463, 512, 593, 609, 610, 614, 701, 822, 938, 1043, 1052, 1281, 1366, 1371, 1374, 1399, 1412 and 1508 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 296 and 94 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Kelso introduced:

H. F. No. 1591, A bill for an act relating to waste management; permitting towns to charge a fee for certain deposits; amending Minnesota Statutes 1986, section 115A.921.

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

Minne introduced:

H. F. No. 1592, A bill for an act relating to environment; allowing composite samples of transformer oil with PCB; prescribing the

manner of sampling; amending Minnesota Statutes 1986, section 116.37, by adding a subdivision.

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

Wenzel; Johnson, R.; Kinkel; McEachern and Rose introduced:

H. F. No. 1593, A bill for an act relating to retirement; public employees retirement association; authorizing retirement under a rule of 85; amending Minnesota Statutes 1986, section 353.30, subdivision 1a.

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

Olson, K.; McEachern; Anderson, G.; Winter and DeBlicek introduced:

H. F. No. 1594, A bill for an act relating to education; appropriating money to the department of education for a grant to the Des Moines river valley telecommunications project.

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

Solberg, Pappas, Rice, Dempsey and Anderson, G., introduced:

H. F. No. 1595, A bill for an act relating to the judiciary; public defenders; requiring the state board of public defense to adopt standards governing district public defender offices; authorizing the state board of public defense to fix the salary of the state public defenders; requiring the state public defender to provide training for state and district public defenders; providing that compensation of district public defenders may not exceed compensation of county attorneys; allowing representation of indigents by public defender before formal appointment; providing for state funding of district public defenders by weighted caseload; appropriating money; amending Minnesota Statutes 1986, sections 611.215, subdivisions 1 and 2; 611.216, subdivisions 1, 2, and 3; 611.23; 611.24; 611.25; 611.26, subdivisions 1, 2, 3, 4, and 6; and 611.27, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 611.22; and 611.26, subdivisions 5 and 8.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. Nos. 464 and 614.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 63, 248, 557 and 593.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 464, A bill for an act relating to natural resources; authorizing counties to retain certain fees for the issuance of cross country ski licenses; amending Minnesota Statutes 1986, section 85.41, subdivision 2.

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

S. F. No. 614, A bill for an act relating to natural resources; authorizing the commissioner to set the date for "Take a Kid Fishing Weekend"; amending Minnesota Statutes 1986, section 97A.445, subdivision 1.

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

S. F. No. 63, A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued for a six-year period; providing for license plate replacement fees; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.

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

S. F. No. 248, 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.

The bill was read for the first time.

Price moved that S. F. No. 248 and H. F. No. 376, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 557, A bill for an act relating to Ramsey county; providing for a charter commission to recommend a form of county government and providing for its adoption.

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

S. F. No. 593, A bill for an act relating to human services; clarifying statutes relating to the preadmission screening program; amending Minnesota Statutes 1986, section 256B.091, subdivisions 2, 3, 4, 6, and 8.

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

CALENDAR

H. F. No. 404, A bill for an act relating to railroads; providing for designation of exempt railroad grade crossings; requiring stop signs at railroad grade crossings; amending Minnesota Statutes 1986, sections 169.28; and 219.20.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 499, A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Boo	DeBlicek	Heap	Kahn
Anderson, R.	Brown	Dempsey	Hugoson	Kalis
Battaglia	Burger	Dille	Jacobs	Kelly
Bauerly	Carlson, D.	Dorn	Jaros	Kelso
Beard	Carlson, L.	Forsythe	Jefferson	Kinkel
Begich	Carruthers	Frerichs	Jennings	Kludt
Bennett	Clark	Greenfield	Jensen	Knickerbocker
Bertram	Clausnitzer	Gruenes	Johnson, A.	Knuth
Bishop	Cooper	Gutknecht	Johnson, R.	Kostohryz
Blatz	Dauner	Hartle	Johnson, V.	Krueger

Larsen	Nelson, C.	Pelowski	Schoenfeld	Uphus
Lasley	Nelson, D.	Peterson	Schreiber	Valento
Lieder	Nelson, K.	Poppenhagen	Seaberg	Vanasek
Long	Neuenschwander	Price	Segal	Vellenga
Marsh	O'Connor	Quinn	Shaver	Voss
McDonald	Ogren	Redalen	Simoneau	Wagenius
McEachern	Olson, S.	Reding	Solberg	Waltman
McKasy	Olson, E.	Rest	Sparby	Welle
McLaughlin	Olson, K.	Rice	Stanius	Wenzel
McPherson	Omann	Richter	Steensma	Winter
Milbert	Onnen	Riveness	Sviggum	Wynia
Miller	Orenstein	Rodosovich	Thiede	Spk. Norton
Minne	Otis	Rose	Tjornhom	
Morrison	Ozment	Rukavina	Tompkins	
Munger	Pappas	Sarna	Trimble	
Murphy	Pauly	Schafer	Tunheim	

The bill was passed and its title agreed to.

H. F. No. 534, A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, nonpublic, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.05, subdivision 4; 13.38; 13.39, subdivision 3; 13.41, subdivision 4; 13.43, by adding a subdivision; 13.46, subdivision 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Tunheim	Vanasek	Wagenius	Wenzel
Uphus	Vellenga	Waltman	Winter
Valento	Voss	Welle	Spk. Norton

The bill was passed and its title agreed to.

H. F. No. 556, A bill for an act relating to human services; establishing difficulty of care payments for children in foster care; amending Minnesota Statutes 1986, section 256.82, subdivision 3, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bishop

The bill was passed and its title agreed to.

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

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.	Bauerly	Bennett	Boo	Carlson, D.
Anderson, R.	Beard	Bertram	Brown	Carlson, L.
Battaglia	Begich	Blatz	Burger	Carruthers

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

The bill was passed and its title agreed to.

H. F. No. 772, A bill for an act relating to retirement; establishing a voluntary retirement plan for certain qualified employees of public and private ambulance services; proposing coding for new law as Minnesota Statutes, chapter 353A.

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

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Knickerbocker	Quist	Thiede
Gutknecht	Osthoff	Schreiber	Tjornhom

The bill was passed and its title agreed to.

H. F. No. 823, A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The bill was passed and its title agreed to.

H. F. No. 836, A bill for an act relating to natural resources; revising the boundary of Lost River State Forest; amending Minnesota Statutes 1986, section 89.021, subdivision 59.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 839, A bill for an act relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points; amending Minnesota Statutes 1986, section 403.02, subdivision 6, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Cooper	Jennings	Long	Olsen, S.
Anderson, R.	Dauner	Jensen	Marsh	Olson, E.
Battaglia	DeBlicck	Johnson, R.	McKasy	Olson, K.
Bauerly	Dorn	Kahn	McLaughlin	Omann
Beard	Forsythe	Kalis	Milbert	Onnen
Begich	Frerichs	Kelly	Minne	Orenstein
Bennett	Greenfield	Kelso	Morrison	Otis
Bertram	Gruenes	Kinkel	Munger	Ozment
Boo	Hartle	Kludt	Murphy	Pappas
Brown	Haukoos	Knuth	Nelson, C.	Pauly
Burger	Heap	Kostohryz	Nelson, D.	Pelowski
Carlson, L.	Himle	Krueger	Nelson, K.	Peterson
Carruthers	Jacobs	Larsen	Neuenschwander	Price
Clark	Jaros	Lasley	O'Connor	Quinn
Clausnitzer	Jefferson	Lieder	Ogren	Redalen

Reding	Schoenfeld	Sparby	Tunheim	Welle
Rest	Seaberg	Stanius	Uphus	Wenzel
Rice	Segal	Steensma	Valento	Winter
Riveness	Shaver	Swenson	Vanasek	Wynia
Rodosovich	Simoneau	Tjornhom	Vellenga	Spk. Norton
Rose	Skoglund	Tompkins	Voss	
Rukavina	Solberg	Trimble	Wagenius	

Those who voted in the negative were:

Carlson, D.	Knickerbocker	Miller	Richter	Svigum
Dempsey	McDonald	Osthoff	Schafer	Thiede
Gutknecht	McEachern	Poppenhagen	Scheid	Waltman
Johnson, V.	McPherson	Quist	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 924, A bill for an act relating to corrections; removing the Minnesota correctional industries from state competitive bidding requirements; amending Minnesota Statutes 1986, section 241.27, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Thiede

The bill was passed and its title agreed to.

H. F. No. 948, A bill for an act relating to state government; providing for affirmative action improvements; regulating job eligibility lists; providing for the title of state agency heads; giving the commissioner of health access to private or confidential data on individual state employees for purposes of epidemiologic studies; setting a mandatory age for certain employees and abolishing it for others; regulating hiring and personnel practices; amending Minnesota Statutes 1986, sections 15.06, subdivision 1; 15.46; 43A.08, subdivision 1; 43A.13, subdivisions 1 and 7; 43A.18, subdivision 4; 43A.191, subdivision 3; 43A.24, subdivision 2; 43A.30, subdivision 4; 43A.33, subdivision 3; 43A.34, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bishop	Milbert	Quist	Thiede
McDonald	Osthoff	Scheid	

The bill was passed and its title agreed to.

H. F. No. 983, A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; clarifying certain duties of the state board of vocational technical education and the state director of vocational technical education; applying a consistent name to schools operating under standards of the state board of vocational technical education; amending Minnesota Statutes 1986, sections 15.014, subdivision 3; 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32; and 136C.35.

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

The bill was passed and its title agreed to.

H. F. No. 1028, A bill for an act relating to labor; regulating mediation, fact finding, and other functions of the bureau of mediation services; providing for violations of the labor union democracy act; amending Minnesota Statutes 1986, sections 179.02, subdivision 2, and by adding a subdivision; 179.07; 179.08; 179.083; 179.22; 179.38; proposing coding for new law in Minnesota Statutes, chapter 179; repealing Minnesota Statutes 1986, sections 179.05; 179.23; and 179.24.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gutknecht	Lieder	Osthoff	Shaver
Anderson, R.	Hartle	Long	Otis	Simoneau
Battaglia	Haukoos	Marsh	Ozment	Skoglund
Bauerly	Heap	McDonald	Pappas	Solberg
Beard	Himle	McEachern	Pauly	Sparby
Begich	Hugoson	McKasy	Pelowski	Stanisus
Bennett	Jacobs	McLaughlin	Peterson	Steenasma
Bertram	Jaros	McPherson	Poppenhagen	Swiggum
Blatz	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.	Riveness	Vanasek
Dauner	Kelso	Neuenschwander	Rodosovich	Vellenga
DeBlieck	Kinkel	O'Connor	Rose	Voss
Dempsey	Kludt	Ogren	Rukavina	Wagenius
Dille	Knickerbocker	Olsen, S.	Schafer	Waltman
Dorn	Knuth	Olson, E.	Scheid	Welle
Forsythe	Kostohryz	Olson, K.	Schoenfeld	Wenzel
Frerichs	Krueger	Omann	Schreiber	Winter
Greenfield	Larsen	Onnen	Seaberg	Wynia
Gruenes	Lasley	Orenstein	Segal	Spk. Norton

The bill was passed and its title agreed to.

H. F. No. 1127, A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; requiring the department of public service to conduct a study; providing for recovery of study costs; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Blatz	Clausnitzer	Forsythe	Heap
Battaglia	Brown	Cooper	Frerichs	Himle
Bauerly	Burger	Dauner	Greenfield	Hugoson
Beard	Carlson, D.	DeBlieck	Gruenes	Jacobs
Begich	Carlson, L.	Dempsey	Gutknecht	Jaros
Bennett	Carruthers	Dille	Hartle	Jefferson
Bertram	Clark	Dorn	Haukoos	Jennings

Jensen	McDonald	Omann	Rodosovich	Tjornhom
Johnson, A.	McEachern	Onnen	Rose	Tompkins
Johnson, R.	McKasy	Orenstein	Rukavina	Trimble
Johnson, V.	McLaughlin	Osthoff	Schafer	Tunheim
Kahn	McPherson	Otis	Scheid	Uphus
Kalis	Milbert	Ozment	Schoenfeld	Valento
Kelly	Miller	Pappas	Schreiber	Vanasek
Kelso	Morrison	Pauly	Seaberg	Vellenga
Kinkel	Munger	Pelowski	Segal	Voss
Kludt	Murphy	Peterson	Shaver	Wagenius
Knickerbocker	Nelson, C.	Poppenhagen	Simoneau	Waltman
Knuth	Nelson, D.	Price	Skoglund	Wenzel
Kostohryz	Nelson, K.	Quinn	Solberg	Winter
Krueger	Neuenschwander	Quist	Sparby	Wynia
Larsen	O'Connor	Redalen	Stanius	Spk. Norton
Lasley	Ogren	Reding	Steensma	
Lieder	Olsen, S.	Rest	Sviggum	
Long	Olson, E.	Richter	Swenson	
Marsh	Olson, K.	Riveness	Thiede	

Those who voted in the negative were:

Minne

The bill was passed and its title agreed to.

H. F. No. 1224, A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county; authorizing a lodging tax in certain towns.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kinkel	Murphy	Price
Anderson, R.	Forsythe	Kludt	Nelson, C.	Quinn
Battaglia	Frerichs	Knickerbocker	Nelson, D.	Quist
Bauerly	Greenfield	Knuth	Nelson, K.	Redalen
Beard	Gruenes	Kostohryz	Neuenschwander	Reding
Begich	Gutknecht	Krueger	O'Connor	Rest
Bennett	Hartle	Larsen	Ogren	Richter
Bertram	Haukoos	Lasley	Olsen, S.	Riveness
Blatz	Heap	Lieder	Olson, E.	Rodosovich
Brown	Himle	Long	Olson, K.	Rose
Burger	Hugoson	Marsh	Omann	Rukavina
Carlson, D.	Jacobs	McDonald	Onnen	Schafer
Carlson, L.	Jaros	McEachern	Orenstein	Scheid
Carruthers	Jennings	McKasy	Osthoff	Schoenfeld
Clark	Jensen	McLaughlin	Otis	Schreiber
Clausnitzer	Johnson, A.	McPherson	Ozment	Seaberg
Cooper	Johnson, R.	Milbert	Pappas	Segal
Dauner	Johnson, V.	Miller	Pauly	Shaver
DeBlieck	Kalis	Minne	Pelowski	Simoneau
Dempsey	Kelly	Morrison	Peterson	Skoglund
Dille	Kelso	Munger	Poppenhagen	Solberg

Sparby	Thiede	Valento	Waltman	Spk. Norton
Stanius	Tjornhom	Vanasek	Welle	
Steensma	Trimble	Vellenga	Wenzel	
Sviggum	Tunheim	Voss	Winter	
Swenson	Uphus	Wagenius	Wynia	

The bill was passed and its title agreed to.

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. 561, 1225, 1267, 31, 119, 217, 532, 642, 1054, 1112, 1120, 1170, 1213, 170, 457, 596 and 1009 were recommended to pass.

H. F. Nos. 654, 999, 1060, 1141, 401, 490, 715, 846, 905, 1113, 1147, 1155 and 895 were recommended for progress.

H. F. No. 291 was recommended for progress retaining its place on General Orders.

H. F. Nos. 85, 487 and 949 were recommended for progress until Monday, April 20, 1987.

H. F. No. 466 was recommended for progress until Tuesday, April 21, 1987.

H. F. Nos. 242 and 830 were recommended for progress until Wednesday, April 22, 1987.

H. F. No. 14 was recommended for progress until Tuesday, April 28, 1987.

H. F. No. 645 was recommended for progress until Friday, May 1, 1987.

H. F. No. 947 which it recommended to pass with the following amendments:

Offered by Begich and Murphy:

Page 1, after line 23, insert:

“Sec. 2. [ST. LOUIS COUNTY CONVEYANCE.]

Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, St. Louis county may sell and convey tax-forfeited land described in this section to Jerald J. Chesney, 139 Fish Lake Road, Duluth, Minnesota 55803, at private sale, but otherwise in the manner provided for appraisal, sale, and conveyance of tax-forfeited land by Minnesota Statutes, chapter 282.

The land that may be sold is in St. Louis county and described as: The East half of the Northwest quarter of the Northeast quarter, Section 25, Township 52 North, Range 15 West, consisting of approximately 20 acres.”

Pages 1 and 2, delete section 2 and insert:

“Sec. 3. [EFFECTIVE DATE.]

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

Offered by Boo:

Page 1, after line 23, insert:

“Sec. 3. [ST. LOUIS COUNTY CONVEYANCE.]

Notwithstanding Minnesota Statutes 1986, section 282.018, and the public sale requirements of Minnesota Statutes, section 282.01, St. Louis county may sell and convey certain tax-forfeited land described in this section to Mark G. Peterson and Mildred A. Peterson of 104 West Mankato Street, Duluth, Minnesota 55803, at private sale, but otherwise in the manner provided for appraisal, sale, and conveyance of tax-forfeited land under Minnesota Statutes, chapter 282.

The land described in this section may be sold for a consideration not less than its appraised value. The conveyance must be in a form approved by the attorney general.

The land that may be sold is a 0.73 acre parcel on Linwood Lake in St. Louis county and described as the North 45 feet of Government Lot 2, Section 28, Township 56 North, Range 14 West.

This section is effective the day following final enactment.”

Renumber the sections in sequence

Correct internal references accordingly

Amend the title accordingly

On the motion of Vanasek the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Clausnitzer moved to amend H. F. No. 1225, the first engrossment, as follows:

Page 1, delete line 13

Page 1, line 14, delete everything before the period and insert:

“which qualifies under section 125 of the Internal Revenue Code of 1986, as amended through December 31, 1986”

Page 1, delete lines 22 to 25

Page 2, delete lines 1 to 11

Renumber the remaining subdivisions

The question was taken on the Clausnitzer amendment and the roll was called. There were 51 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Kludt	Omann	Schreiber
Bauerly	Frerichs	Knickerbocker	Onnen	Seaberg
Bennett	Gruenes	Krueger	Ozment	Shaver
Bertram	Gutknecht	Marsh	Pauly	Sparby
Bishop	Hartle	McDonald	Poppenhagen	Sviggum
Blatz	Haukoos	McKasy	Quist	Thiede
Burger	Heap	McPherson	Redalen	Tjornhom
Clausnitzer	Himle	Miller	Reding	Tunheim
Dempsey	Hugoson	Morrison	Richter	Uphus
Dille	Johnson, V.	Olsen, S.	Schafer	Valento
				Waltman

Those who voted in the negative were:

Bagtaglia	Carlson, L.	DeBlieck	Jefferson	Kelly
Beard	Carruthers	Dorn	Jensen	Kelso
Begich	Clark	Greenfield	Johnson, R.	Kinkel
Boo	Cooper	Jacobs	Kahn	Knuth
Carlson, D.	Dauner	Jaros	Kalis	Kostohryz

Larsen	Nelson, C.	Pappas	Schoenfeld	Voss
Lasley	Nelson, D.	Peterson	Segal	Wagenius
Lieder	Nelson, K.	Price	Simoneau	Welle
Long	O'Connor	Quinn	Skoglund	Wenzel
McEachern	Ogren	Rest	Solberg	Winter
McLaughlin	Olson, E.	Rice	Steenma	Wynia
Milbert	Olson, K.	Riveness	Swenson	Spk. Norton
Minne	Orenstein	Rodosovich	Tompkins	
Munger	Osthoff	Rukavina	Trimble	
Murphy	Otis	Scheid	Vellenga	

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

The question was taken on the motion to recommend passage of H. F. No. 1120 and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hartle	Long	Ozment	Solberg
Anderson, R.	Haukoos	McDonald	Pappas	Sparby
Battaglia	Heap	McEachern	Pauly	Stanius
Bauerly	Himle	McKasy	Felowski	Steenma
Beard	Hugoson	McLaughlin	Peterson	Svigum
Begich	Jacobs	McPherson	Price	Swenson
Bennett	Jaros	Milbert	Quinn	Thiede
Bertram	Jefferson	Miller	Quist	Tjornhom
Bishop	Jennings	Minne	Redalen	Tompkins
Blatz	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
Clark	Kelly	Neuenschwander	Rose	Voss
Clausnitzer	Kelso	O'Connor	Rukavina	Wagenius
Dauner	Kinkel	Ogren	Sarna	Waltman
DeBlick	Kludt	Olsen, S.	Schafer	Welle
Dempsey	Knickerbocker	Olson, E.	Scheid	Wenzel
Dille	Knuth	Olson, K.	Schoenfeld	Winter
Forsythe	Kostohryz	Omman	Schreiber	Wynia
Frerichs	Krueger	Onnen	Segal	Spk. Norton
Greenfield	Larsen	Orenstein	Shaver	
Gruenes	Lasley	Osthoff	Simoneau	
Gutknecht	Lieder	Otis	Skoglund	

The motion prevailed.

MOTIONS AND RESOLUTIONS

Wenzel moved that the name of Uphus be added as an author on H. F. No. 404. The motion prevailed.

Nelson, D., moved that the name of Shaver be added as an author on H. F. No. 837. The motion prevailed.

Olsen, S., moved that her name be stricken as an author on H. F. No. 843. The motion prevailed.

Rukavina moved that the name of Long be stricken and the name of Begich be added as an author on H. F. No. 862. The motion prevailed.

Olsen, S., moved that her name be stricken as an author on H. F. No. 1230. The motion prevailed.

Ogren moved that the names of Osthoff, Otis and Sarna be added as authors on H. F. No. 1390. The motion prevailed.

Larsen moved that the name of O'Connor be added as an author on H. F. No. 1505. The motion prevailed.

Trimble moved that H. F. No. 512, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

ADJOURNMENT

Vanasek moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, April 15, 1987. The motion prevailed.

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, April 15, 1987.

EDWARD A. BURDICK, Chief Clerk, House of Representatives