

## STATE OF MINNESOTA

## SEVENTY-FIFTH SESSION — 1987

## THIRTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 23, 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 Willard Albertson, Community Church, Wayzata, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly 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. 1393, 1495, 1375, 490, 1147 and 1355 and S. F. Nos. 341, 89 and 420 have been placed in the members' files.

S. F. No. 341 and H. F. No. 454, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 341 be substituted for H. F. No. 454 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 20, 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. 134, relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

H. F. No. 312, relating to elections; changing what name may be used on ballots, nominating petitions, and affidavits of candidacy; repealing Minnesota Statutes 1986, section 204B.05.

H. F. No. 838, relating to St. Louis county; providing for a clerk in the unclassified civil service; amending Minnesota Statutes 1986, section 383C.035.

Sincerely,

RUDY PERPICH  
Governor

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

April 21, 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>	<i>H.F.</i>	<i>Session Laws</i>	<i>Date Approved</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>1987</i>	<i>1987</i>
457		37	April 20, 1987	April 21, 1987
	134	38	April 20, 1987	April 21, 1987
	312	39	April 20, 1987	April 21, 1987
	838	40	April 20, 1987	April 21, 1987

Sincerely,

JOAN ANDERSON GROWE  
Secretary of State

**REPORTS OF STANDING COMMITTEES**

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 88, A bill for an act relating to trusts; regulating investment of trust assets; prescribing the standard of care for trustees; allowing trustees to delegate duties and employ agents; amending Minnesota Statutes 1986, sections 501.125, subdivision 1;

and 501.66, subdivision 28; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 501.125, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROPERTIES AND INVESTMENTS.] (a) In acquiring, investing, reinvesting, exchanging and managing property, A trustee is authorized to acquire invest in every kind of real or personal property, real, personal or mixed, and every kind of investment, specifically including, but not by way of limitation, bonds, debentures and other individual or corporate obligations, mutual funds, and corporate stocks. A trustee, in determining the prudence of a particular investment, shall consider the role that the proposed investment or investment course of action plays within the overall portfolio of assets. In applying the total asset management approach, that a prudent person would invest in having in mind the preservation of the trust estate and the amount and regularity of the income derived. In considering an investment, a trustee shall exercise the care, skill, and judgment and care under the circumstances then prevailing, which persons that a person of ordinary prudence, discretion, and intelligence would exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds the person's own property; and shall consider the role that the investment plays within the trust's overall portfolio of assets. If the trustee has special greater skills or expertise than a person of ordinary prudence or if the trustee holds itself out as having special skills or expertise is named trustee by representing that the trustee has greater skills than a person of ordinary prudence, the trustee is under a duty to use those skills or expertise.

(b) Except as may be provided to the contrary in the instrument, the following are Among the factors that should be considered by a trustee in applying the total asset management approach determining the prudence of a particular investment are the following:

(1) the probable income of the trust as well as the probable safety of the capital of the trust;

(2) marketability of investments the composition of the portfolio of the trust with regard to diversification;

(3) the length of the term of investments of the trust;

(4) the duration of the trust;

(5) the liquidity needs and current return of the trust's portfolio relative to the anticipated cash requirements of the trust;

(6) requirements of the beneficiary or beneficiaries;

(7) other assets of the beneficiary or beneficiaries, known to the trustees, including earning capacity; and

(8) effect of investments in increasing or diminishing liability for taxes

(7) the relative interests of income and remainder beneficiaries; and

(8) the tax consequences.

(c) If a trustee is a national banking association or holds a certificate under section 48.37 or if a trustee retains or employs an investment advisor registered under the Investment Advisors Act of 1940, an investment which is otherwise prudent is not imprudent solely because it is in new, unproven, untried, or other enterprises with a potential for a significant growth or in a limited partnership or commingled fund investing in these enterprises.

Sec. 2. [501.155] [EMPLOYEES AND AGENTS OF TRUSTEE.]

Unless otherwise provided in the instrument, a trustee may employ attorneys, accountants, investment advisors, agents, or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of duties. The trustee may act without independent investigation upon their recommendations or, instead of acting personally, employ one or more agents to perform any act of administration, whether or not discretionary, except that:

(1) the trustee may not delegate all of the trustee's duties;

(2) the employment does not relieve the trustee of liability for the acts of a person that, if done by the trustee, would result in liability to the trustee; and

(3) the employment does not relieve the trustee of the duty to select and retain a person with reasonable care.

Sec. 3. Minnesota Statutes 1986, section 501.66, subdivision 28, is amended to read:

Subd. 28. The trustee may employ attorneys, accountants, investment advisors, agents or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of

duties; to act without independent investigation upon their recommendations; and instead of acting personally, to employ one or more agents to perform any act of administration, whether or not discretionary; except that:

- (1) the trustee may not delegate all of the trustee's duties; and
- (2) the employment does not relieve the trustee of liability for the discretionary acts of a person, which if done by the trustee, would result in liability to the trustee, or of the duty to select and retain a person with reasonable care.

Sec. 4. Minnesota Statutes 1986, section 524.2-202, is amended to read:

#### 524.2-202 [AUGMENTED ESTATE.]

The augmented estate means the estate reduced by funeral and administration expenses, the homestead, family allowances and exemptions, liens, mortgages, and enforceable claims, to which is added the sum of the following amounts:

(1) The value of property, other than the homestead, transferred by the decedent at any time during the marriage, to or for the benefit of any person other than the surviving spouse, to the extent that the decedent did not receive adequate and full consideration in money or money's worth for the transfer; if the transfer is of any of the following types:

(i) any transfer under which the decedent retained at the time of death the possession or enjoyment of, or right to income from, the property;

(ii) any transfer to the extent that the decedent retained at the time of death a power, either alone or in conjunction with any other person, to revoke or to consume, invade or dispose of the principal for personal benefit;

(iii) any transfer whereby property is held at the time of decedent's death by decedent and another with right of survivorship;

(iv) any transfer made within one year of death of the decedent to the extent that the aggregate transfers to any one donee in the year exceeds \$30,000.

Any transfer is excluded if made with the written consent or joinder of the surviving spouse. Property is valued as of the decedent's death except that property given irrevocably to a donee during lifetime of the decedent is valued as of the date the donee came into possession or enjoyment if that occurs first.

Notwithstanding the provisions of subsections (i) to (iv), the augmented estate includes the proceeds of property described in clause (3) only to the extent provided in clause (3).

(2) The value of property, other than the homestead, owned by the surviving spouse at the decedent's death, plus the value of property transferred by the spouse at any time during marriage to any person other than the decedent which would have been includable in the spouse's augmented estate if the surviving spouse had predeceased the decedent, to the extent the owned or transferred property is derived from the decedent by any means other than testate or intestate succession or as an obligation of support without a full consideration in money or money's worth. For purposes of this clause:

(i) Property derived from the decedent includes, but is not limited to, any beneficial interest of the surviving spouse in a trust created by the decedent during the decedent's lifetime; any property appointed to the spouse by the decedent's exercise of a general or special power of appointment also exercisable in favor of others than the spouse; any proceeds of insurance, including accidental death benefits, on the life of the decedent attributable to premiums paid by the decedent; any lump sum immediately payable and the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent; the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan or account, excluding the federal social security system and tier 1 railroad retirement benefits, by reason of service performed, disabilities incurred, or deposits made by the decedent; any property held at the time of decedent's death by decedent and the surviving spouse with right of survivorship; any property held by decedent and transferred by contract to the surviving spouse by reason of the decedent's death; and the value of the share of the surviving spouse resulting from rights in community property in this or any other state formerly owned with the decedent.

(ii) Property owned by the spouse at the decedent's death is valued as of the date of death. Property transferred by the spouse is valued at the time the transfer became irrevocable, or at the decedent's death, whichever occurred first. Income earned by included property prior to the decedent's death is not treated as property derived from the decedent.

(iii) Property owned by the surviving spouse as of the decedent's death of the kind described in clause (2)(i) is presumed to have been derived from the decedent except to the extent that the surviving spouse establishes that it was derived from another source. All other property owned by the surviving spouse as of the decedent's death, or previously transferred by the surviving spouse, is presumed not to

have been derived from the decedent except to the extent that an interested party establishes that it was derived from the decedent.

(3) The value of property paid to, or for the benefit of, a person other than the surviving spouse as a result of the decedent's death if the property is any of the following types:

(i) proceeds of insurance, including accidental death benefits, but excluding (1) insurance required by a judgment and decree or court order; (2) credit life insurance; (3) insurance required by the terms of a contract; (4) insurance obtained for the purpose of discharging any other liability, contingent or fixed, to the extent the proceeds are used to discharge the liability; or (5) insurance obtained for a bona fide business purpose attributable to premiums paid by the decedent during the marriage except that: (a) if an enforceable claim satisfied with proceeds of insurance on the decedent's life is not deducted in computing the augmented estate, the proceeds must not be included separately; (b) if the value of a business interest is included in the augmented estate, the proceeds of insurance on the decedent's life that are paid to the business or are applied in performance of a purchase agreement relating to the business interest must not be included separately; (c) if the decedent was required by a decree or order dissolving a prior marriage to pay premiums on insurance on the decedent's life for the benefit of specified persons, the proceeds of that insurance must not be included separately; and (d) in other similar cases the proceeds of insurance must not be included separately;

(ii) a lump sum immediately payable, or the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent during the marriage; or

(iii) the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan or account, excluding the federal social security system and tier 1 railroad retirement benefits, by reason of service performed, disabilities incurred, or deposits made by the decedent, attributable to premiums or contributions paid by the decedent during the marriage.

For purposes of this clause, premiums or contributions paid by the decedent's employer, the decedent's partner, a partnership of which the decedent was a member, or the decedent's creditors, are deemed to have been paid by the decedent, and any amounts otherwise includable in the augmented estate are excluded if made with the written consent or joinder of the surviving spouse.

Unless the payer of the property has received written notice of intention to file a petition for the elective share, the property may be paid, upon request and satisfactory proof of the decedent's death, to



the designated beneficiary of the property. Payment made discharges the payer from all claims for the amounts paid. This does not extend to payments made after the payer has received written notice of intention to file a petition for the elective share. Unless the notice is withdrawn by the surviving spouse, the surviving spouse must concur in any demand for withdrawal.

For an insurer, the written notice of intention to file a petition for the elective share must be mailed to its home office by registered mail, return receipt requested, or served upon the insurer in the same manner as a summons in a civil action. Upon receipt of written notice of intention to file a petition for the elective share, an insurer may pay any amounts owed by it specified in clause (3) to the court in which the probate proceedings relating to the estate of the decedent are venued, or if no proceedings have been commenced, to the court having jurisdiction of decedents' estates located in the county of the insured's residence. The court shall hold the funds and, upon its determination under section 524.2-205, subsection (d), shall order its disbursement in accordance with the determination. If no petition is filed in the court within the specified time under section 524.2-205, subsection (a), or if filed, the demand for an elective share is withdrawn under section 524.2-205, subsection (c), the court shall order disbursement to the designated beneficiary. Payment made to the court discharges the insurer from all claims for the amounts paid.

Upon petition to the probate court by the designated beneficiary, the court may order that all or part of the property be paid to the designated beneficiary in an amount and subject to conditions consistent with this section.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 501.125, subdivision 1a, and 501.66, subdivision 6a, are repealed.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to probate; changing and clarifying certain powers of trustees; redefining "augmented estate" for certain purposes; amending Minnesota Statutes 1986, sections 501.125, subdivision 1; 501.66, subdivision 28; and 524.2-202; proposing coding for new law in Minnesota Statutes, chapter 501; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a."

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. 196, A bill for an act relating to public safety; manufactured homes; requiring manufactured home park owners to provide underground shelter for residents during severe weather; amending Minnesota Statutes 1986, section 327.20, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 327.20, subdivision 1, is amended to read:

Subdivision 1. [RULES.] No domestic animals or house pets of occupants of manufactured home parks or recreational camping areas shall be allowed to run at large, or commit any nuisances within the limits of a manufactured home park or recreational camping area. Each manufactured home park or recreational camping area licensed under the provisions of sections 327.10, 327.11, 327.14 to 327.28 shall, among other things, provide for the following, in the manner hereinafter specified:

(1) A responsible attendant or caretaker shall be in charge of every manufactured home park or recreational camping area at all times, who shall maintain the park or area, and its facilities and equipment in a clean, orderly and sanitary condition. In any manufactured home park containing more than 50 lots, the attendant, caretaker, or other responsible park employee, shall be readily available at all times in case of emergency.

(2) All manufactured home parks shall be well drained and be located so that the drainage of the park area will not endanger any water supply. No waste water from manufactured homes or recreational camping vehicles shall be deposited on the surface of the ground. All sewage and other water carried wastes shall be discharged into a municipal sewage system whenever available. When a municipal sewage system is not available, a sewage disposal system acceptable to the state commissioner of health shall be provided.

(3) No manufactured home shall be located closer than three feet to the side lot lines of a manufactured home park, if the abutting property is improved property, or closer than ten feet to a public

street or alley. Each individual site shall abut or face on a driveway or clear unoccupied space of not less than 16 feet in width, which space shall have unobstructed access to a public highway or alley. There shall be an open space of at least ten feet between the sides of adjacent manufactured homes including their attachments and at least three feet between manufactured homes when parked end to end. The space between manufactured homes may be used for the parking of motor vehicles and other property, if the vehicle or other property is parked at least ten feet from the nearest adjacent manufactured home position. The requirements of this paragraph shall not apply to recreational camping areas and variances may be granted by the state commissioner of health in manufactured home parks when the variance is applied for in writing and in the opinion of the commissioner the variance will not endanger the health, safety and welfare of manufactured home park occupants.

(4) An adequate supply of water of safe, sanitary quality shall be furnished at each manufactured home park or recreational camping area. The source of the water supply shall first be approved by the state department of health. At least one water supply outlet shall be provided at convenient locations throughout the manufactured home park or recreational camping area.

(5) All plumbing shall be installed in accordance with the rules of the state commissioner of health and the provisions of the Minnesota plumbing code.

(6) In the case of a manufactured home park, a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of the park in times of severe weather conditions, such as tornadoes, high winds and floods. The shelter or evacuation plan shall be developed with the assistance and approval of the municipality where the park is located and shall be posted at conspicuous locations throughout the park. Nothing in this paragraph requires the department of health to review or approve any shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan submitted by a park shall not be grounds for action against the park by the department of health if the park has made a good faith effort to develop the plan and obtain municipal approval.

## Sec. 2. [327.205] [SHELTER OR EVACUATION PLAN FOR MOBILE HOME PARKS.]

Subdivision 1. [OLDER PARKS.] Manufactured home parks licensed before August 31, 1988, shall provide a safe place of shelter for park residents or a plan for the evacuation of park residents to a safe place of shelter within a reasonable distance of the park for use by park residents in times of severe weather, including tornadoes and high winds. If a safe place of shelter is not available within a reasonable distance, the municipality in which the park is located

shall require the park to construct an approvable shelter by August 31, 1989.

Subd. 2. [NEWER PARKS.] Manufactured home parks receiving a primary license after August 31, 1988, shall be required by the municipality in which the park is located to provide the type of shelter required by subdivision 1 within a reasonable distance of the park.

Subd. 3. [STANDARDS AND RULES.] Municipalities shall adopt standards for the approval of evacuation plans. The department of administration shall, by August 31, 1988, adopt by rule standards for the construction of shelters for the protection of occupants from tornados and high winds. The department shall adopt permanent rules for this purpose. All structures constructed after August 31, 1988, shall be constructed in accordance with these standards.

Subd. 4. [MUNICIPAL APPROVAL.] The owner of a manufactured home park required to provide an evacuation plan or a safe place of shelter under this section shall submit the plan or shelter for approval to the municipality in which the park is located and the municipality shall approve the plan or shelter in writing if it meets the standards adopted by the municipality or the department of administration, as appropriate. Within 30 days of its approval, the municipality shall send a copy of the approval to the state department of health."

Amend the title as follows:

Page 1, line 4, delete "underground"

Page 1, line 6, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 327"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 226, A bill for an act relating to towns; providing for powers of town boards and board members; providing for elections; providing conditions for ownership of town cemetery lots; amending Minnesota Statutes 1986, sections 365.10; 365.27; 365.37; 365.51; 367.03; 471.705, by adding a subdivision; and 471.96.

Reported the same back with the following amendments:

Page 3, line 23, delete "power" and insert "authority" and before the colon, insert "a specific activity that is within any of the following categories"

Page 3, line 31, delete the comma and insert a period

Page 3, line 32, before "by" insert "Authority under clause (17) may be exercised"

Page 5, line 22, strike "selecting town"

Page 5, line 23, strike "officers or of"

Page 5, after line 26, insert:

"Sec. 5. Minnesota Statutes 1986, section 366.01, is amended by adding a subdivision to read:

Subd. 11. [OPEN MEETING LAW; EXEMPTION.] Except for the notice requirements, section 471.705 does not apply to gathering of town board members to perform on-site inspections, if the town has no employees or other staff able to perform the inspections and the town board is acting essentially in a staff capacity.

Page 7, delete section 6 and insert:

"Sec. 7. Minnesota Statutes 1986, section 367.33, subdivision 1, is amended to read:

Subdivision 1. [ELECTION AT ANNUAL MEETING ELECTION OR SPECIAL ELECTION.] Following the adoption of option A in a town, except a town exercising the powers of a statutory city, the town board may call a special town election to be held not less than 30 days nor more than 60 days after the annual town meeting at which the option is adopted, for the purpose of electing two additional members to the board of supervisors. In lieu of calling a special election, the town board may determine to elect the additional two members of the town board at the next annual town meeting election. If the town is exercising the powers of a statutory city pursuant to section 368.01 or pursuant to a special law granting substantially similar powers, the town board shall call a special election to be held not less than 30 days nor more than 60 days after the annual meeting at which option A is adopted for the purpose of electing the two additional supervisors.

Sec. 8. Minnesota Statutes 1986, section 367.33, subdivision 4, is amended to read:

Subd. 4. [TERMS.] If the additional supervisors are elected at a special election, they shall serve only until the next annual town

meeting election, at which the additional members shall stand for election, one for a term of two years and one for a term of three years. The candidate receiving the highest number of votes shall be elected for the longer term. If the additional supervisors are elected at an annual meeting election, one shall serve for a term of two years and the other for a term of three years with the candidate receiving the highest number of votes being elected for the longer term.

Sec. 9. Minnesota Statutes 1986, section 367.33, subdivision 5, is amended to read:

Subd. 5. [ABANDONMENT OF OPTION A.] In a town in which option A is abandoned, the terms of incumbent supervisors shall not be affected, but if one or more supervisors are to be elected at the annual town election held on the same day as the annual town meeting at which the option is abandoned, the election of one supervisor, or two if there be more than one elected, shall be considered null. Otherwise the offices of the two incumbent supervisors expiring at the annual meeting town election or meetings elections next following the annual meeting at which the option is abandoned shall not be filled. Thereafter the town board shall be composed of three supervisors unless option A is again adopted in that town."

Page 7, after line 26, insert:

"Sec. 11. [REPEALER.]

Minnesota Statutes 1986, section 365.06, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "365.51;" insert "366.01, by adding a subdivision;" and delete "471.705, by adding a" and insert "367.33, subdivisions 1, 4, and 5;"

Page 1, line 7, delete "subdivision;" and before the period insert " subdivision 1; repealing Minnesota Statutes 1986, section 365.06"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 268, A bill for an act relating to snowmobiles; authorizing certain operators possessing a motor vehicle operator's license to

cross a highway; amending Minnesota Statutes 1986, section 84.872.

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. 307, A bill for an act relating to crimes; authorizing filing of felony charges before the 14-day requirement when the crime charged is depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2 and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 609.26, subdivision 2, is amended to read:

Subd. 2. [DEFENSES.] No person violates subdivision 1 if the action:

(1) is taken to protect the child from physical or sexual assault or substantial emotional harm;

(2) is taken to protect the person taking the action from physical or sexual assault;

(3) is consented to by the parent, stepparent, or legal custodian seeking prosecution; or

(4) is otherwise authorized by a court order issued prior to the violation of subdivision 1.

The defenses provided in this subdivision are in addition to and do not limit other defenses available under this chapter or chapter 611.

Consent to custody or specific visitation under clause (3) must not be construed to be consent to failing to return or concealing a minor child.

Sec. 2. Minnesota Statutes 1986, section 609.26, subdivision 5, is amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within 14 days after taking, detaining, or failing to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of 14 days after taking the action, (i) a motion or proceeding under chapter 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapter 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities. This subdivision does not prohibit the filing of felony charges or an offense report before the expiration of the 14 days.

Sec. 3. Minnesota Statutes 1986, section 609.26, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] Except as otherwise provided in subdivision 5, whoever violates this section is guilty of a felony and may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both."

Delete the title and insert:

"A bill for an act relating to crimes; authorizing filing of felony charges before the 14-day requirement when the crime charged is depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2, 5, and 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 403, A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 90.101, subdivision 1; 90.121; 90.14; 90.151, subdivisions 1 and 13;



90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 88.49, subdivision 5, is amended to read:

Subd. 5. [CANCELLATION.] Upon the failure of the owner faithfully to fulfill and perform such contract or any provision thereof, or any requirement of sections 88.47 to 88.53, or any rule adopted by the commissioner thereunder, the commissioner may cancel the contract in the manner herein provided. The commissioner shall give to the owner, in the manner prescribed in section 88.48, subdivision 4, 60 days notice of a hearing thereon at which the owner may appear and show cause, if any, why the contract should not be canceled. The commissioner shall thereupon determine whether the contract should be canceled and make an order to that effect. Notice of the commissioner's determination and the making of the order shall be given to the owner in the manner provided in section 88.48, subdivision 4. On determining that the contract should be canceled and no appeal therefrom be taken, the commissioner shall send notice thereof to the auditor of the county and to the town clerk of the town affected and file with the recorder a certified copy of the order, who shall forthwith note the cancellation upon the record thereof, and thereupon the land therein described shall cease to be an auxiliary forest and, together with the timber thereon, become liable to all taxes and assessments that otherwise would have been levied against it had it never been an auxiliary forest from the time of the making of the contract, any provisions of the statutes of limitation to the contrary notwithstanding, less the amount of taxes paid under the provisions of section 88.51, subdivision 1, together with interest on such taxes and assessments at six percent per annum, but without penalties.

The commissioner may in like manner and with like effect cancel the contract upon written application of the owner.

The commissioner shall cancel any contract if the owner has made successful application under sections 270.31 to 270.39 inclusive, the Minnesota tree growth tax law, and has paid to the county treasurer the difference between the amount which would have been paid had the land under contract been subject to the Minnesota tree growth tax law from the date of the filing of the contract and the amount actually paid under section 88.51, subdivisions 1 and 2. If the amount which would have been paid, had the land under contract been under the Minnesota tree growth tax law from the date of the filing of the contract, is less than the amount actually paid under

the contract, the cancellation shall be made without further payment by the owner.

When the execution of any contract creating an auxiliary forest shall have been procured through fraud or deception practiced upon the county board or the commissioner or any other person or body representing the state, it may be canceled upon suit brought by the attorney general at the direction of the ~~executive council~~ commissioner. This cancellation shall have the same effect as the cancellation of a contract by the commissioner.

Sec. 2. Minnesota Statutes 1986, section 88.49, subdivision 9, is amended to read:

Subd. 9. [AUXILIARY FORESTS; WITHDRAWAL OF LAND FROM.] Land needed for other purposes may be withdrawn from an auxiliary forest as herein provided. A verified application therefor in a form prescribed by the commissioner of natural resources may be made by the owner to the county board of the county in which the land is situated, describing the land and stating the purpose of withdrawal. Like proceedings shall be had upon the application as upon an application for the establishment of an auxiliary forest, except that consideration need be given only to the questions to be determined as provided in this subdivision. If the county board shall determine that the land proposed to be withdrawn is needed and is suitable for the purposes set forth in the application, and that the remaining land in the auxiliary forest is suitable and sufficient for the purposes thereof as provided by law, the board may, in its discretion, grant the application, subject to the approval of the commissioner ~~and the executive council~~. Upon such approval a supplemental contract evidencing the withdrawal shall be executed, filed, and recorded or registered as the case may require, in like manner as an original auxiliary forest contract. Thereupon the land described in the supplemental contract shall cease to be part of the auxiliary forest, and, together with the timber thereon, shall be liable to taxes and assessments in like manner as upon cancellation of an auxiliary forest contract.

Sec. 3. Minnesota Statutes 1986, section 88.49, subdivision 11, is amended to read:

Subd. 11. [AUXILIARY FORESTS; TRANSFER OF TITLE; PROCEDURE ON DIVISION.] The title to the land in an auxiliary forest or any part thereof is subject to transfer in the same manner as the title to other real estate, subject to the auxiliary forest contract therefor and to applicable provisions of law. In case the ownership of such a forest is divided into two or more parts by any transfer or transfers of title and the owners of all such parts desire to have the same made separate auxiliary forests, they may join in a verified application therefor to the county board of the county in which the forest is situated in a form prescribed by the commissioner of natural

resources. If the county board determines that each of the parts into which the forest has been divided is suitable and sufficient for a separate auxiliary forest as provided by law, it may, in its discretion, grant the application, subject to the approval of the commissioner and the executive council. Upon such approval, the commissioner shall prepare a new auxiliary forest contract for each part transferred, with like provisions and for the remainder of the same term as the prior contract in force for the entire forest at the time of the transfer, and shall also prepare a modification of such prior contract, eliminating therefrom the part or parts of the land transferred but otherwise leaving the remaining land subject to all the provisions of such contract. The new contract or contracts and modification of the prior contract shall be executed and otherwise dealt with in like manner as provided for an original auxiliary forest contract, but no such instrument shall take effect until all of them, covering together all parts of the forest existing before the transfer, have been executed, filed, and recorded or registered, as the case may require. Upon the taking effect of all such instruments, the owner of the forest prior to the transfer shall be divested of all rights and relieved from all liabilities under the contract then in force with respect to the parts transferred except such as may have existed or accrued at the time of the taking effect of such instruments, and thereafter the several tracts into which the forest has been divided and the respective owners thereof shall be subject to the new contract or contracts or the modified prior contract relating thereto, as the case may be, as provided for an original auxiliary forest contract. The provisions of this subdivision shall not supersede or affect the application of any other provision of law to any auxiliary forest which is divided by transfer of title unless the procedure herein authorized is fully consummated.

Sec. 4. Minnesota Statutes 1986, section 90.031, subdivision 3, is amended to read:

Subd. 3. The executive council may compromise and settle, with the approval of the attorney general, upon terms as it may deem just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of such timber or other materials so taken in trespass exceeds \$5,000; provided, that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The executive council commissioner may make settlement for not less than the full value of any timber cut by lessees of state lands holding under section 92.50.

Sec. 5. Minnesota Statutes 1986, section 90.041, subdivision 2, is amended to read:

Subd. 2. The commissioner may compromise and settle, with the approval of the attorney general, upon terms the commissioner

deems just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of the timber or other materials taken in trespass is \$5,000 or less; provided that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The commissioner shall advise the executive council of any information acquired by the commissioner concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.

Sec. 6. Minnesota Statutes 1986, section 90.101, subdivision 1, is amended to read:

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding \$20,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except (1) to the highest bidder at public auction, and or (2) if unsold at public auction the commissioner may offer the timber for private sale for a period of no more than 90 days after the public auction to any person who pays the appraised value for the timber. The minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located and no sale shall be held in more than one location on any one day.

Sec. 7. Minnesota Statutes 1986, section 90.14, is amended to read:

#### 90.14 [AUCTION SALE PROCEDURE.]

All state timber shall be offered and sold by the same unit of measurement as it was appraised. The sale shall be made to the party who (1) shall bid the highest price for all the several kinds of timber as advertised, or (2) if unsold at public auction, to the party who purchases at any sale authorized under section 90.101, subdivision 1. The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner 25 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

Sec. 8. Minnesota Statutes 1986, section 90.151, subdivision 1, is amended to read:

Subdivision 1. (a) Following receipt of the down payment for state timber sold at public auction, the commissioner shall issue a numbered permit to the purchaser, in a form approved by the attorney general, by the terms of which the purchaser shall be authorized to enter upon the land, and to cut and remove the timber therein described, according to the provisions of this chapter. The permit shall be correctly dated and executed by the commissioner or agent and signed by the purchaser.

(b) The permit shall expire no later than ~~two~~ three years after the date of sale as the commissioner shall specify, and the timber shall be cut within the time specified therein. All cut timber, equipment, and buildings not removed from the land within 90 days after expiration of the permit shall become the property of the state.

(c) The commissioner may grant an additional period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of such request by the permit holder for good and sufficient reasons. No permit shall be issued to any person other than the purchaser in whose name the bid was made.

Sec. 9. Minnesota Statutes 1986, section 90.151, subdivision 13, is amended to read:

Subd. 13. [PERMIT EXTENSIONS.] (a) The commissioner may grant extensions of timber permits and contracts for periods as the commissioner deems advisable, provided that:

(1) for permits issued on or after May 15, 1975, and before the effective date of this act, the total of the extensions shall not exceed three years from the date of the expiration of the original permit; and

(2) for permits issued prior to May 15, 1975 the total of the extensions and the original permit term shall not exceed ten years from date of issuance of the permit. on or after the effective date of this act, the permit may not be extended more than two one-year periods.

(b) All extensions granted pursuant to this subdivision shall be subject to all the provisions of this chapter.

Subd. 14. [INTEREST ON EXTENSIONS.] (a) The commissioner shall include in each extension a condition that the purchaser shall pay to the state interest at the rate of:

(1) eight percent of the unpaid purchase price for each year of extension or portion thereof for an extension granted under subdivision 13, paragraph (a), clause (1); and

(2) five percent the first year of extension and 15 percent the second year of extension for an extension granted under subdivision 13, paragraph (a), clause (2).

(b) The interest shall be calculated from the beginning of the extension period to the date of the seasonal scale report of products cut as and computed on:

(1) the sale price of the timber cut; or

(2) if not cut, upon the official estimate thereof; however, of the merchantable timber not utilized under the permit.

(c) A purchaser is not required to pay interest totaling \$1 or less.

Sec. 10. Minnesota Statutes 1986, section 90.161, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by law the purchaser of any state timber, before any timber permit shall become effective for any purpose, shall within 90 days from the date of purchase give a good and valid bond to the state of Minnesota equal to the value of all timber covered or to be covered by the permit, as shown by the sale price bid therefor and the appraisal report thereof as to quantity, less the amount of any payment pursuant to section 90.14, which bond shall be conditioned upon the faithful performance by the purchaser and successors in interest of all the terms and conditions of the permit and all requirements of law in respect to such sales; and the bond shall be approved in writing by the commissioner and filed for record in the commissioner's office. In the alternative to cash and bond as provided above, but upon the same conditions, a purchaser may post bond for 100 percent of the purchase price and request refund of the amount of any payment pursuant to section 90.14.

Sec. 11. Minnesota Statutes 1986, section 90.173, is amended to read:

90.173 [PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.]

In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit the person required to file the bond may deposit with the state treasurer cash, a certified check, a cashier's check, a personal check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond. If securities listed in this section are deposited, the par value of the securities shall be not

less than the amount required for the timber sale bond, and the person required to file the timber sale bond shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the security in the event of default under the timber sale. All of the conditions of the timber sale bond shall equally apply to the deposit with the state treasurer. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit and shall bear interest at the rate determined pursuant to section 549.09 if not returned within 30 days from the date of the default. Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are appropriated from the general fund to the state treasurer for these purposes. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

Sec. 12. Minnesota Statutes 1986, section 97A.205, is amended to read:

97A.205 [ENFORCEMENT OFFICER POWERS.]

An enforcement officer is authorized to:

(1) execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and use of water, in the same manner as a constable or sheriff;

(2) enter any land to carry out the duties and functions of the division;

(3) make investigations of violations of the game and fish laws;

(4) take an affidavit, if it aids an investigation;

(5) arrest, without a warrant, a person that is detected in the actual violation of the game and fish laws, a provision of chapters 84A, 85, 86A, 88 to 106A, 361, sections 89.51 to 89.61 and ~~18.431 to 18.436~~; or 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and

(6) take an arrested person before a court in the county where the offense was committed and make a complaint.

## Sec. 13. [REPEALER.]

Minnesota Statutes 1986, sections 18.431, 18.432, 18.433, 18.434, 18.435, 18.436, and 88.13 are repealed.

## Sec. 14. [EFFECTIVE DATE.]

This act is effective 30 days after final enactment.

Delete the title and insert:

"A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 88.49, subdivisions 5, 9, and 11; 90.031, subdivision 3; 90.041, subdivision 2; 90.101, subdivision 1; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 573, A bill for an act relating to finance; allowing remaining funds in Red River of the North dike appropriation to be used for planning and engineering.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [EXPANDING USE OF RED RIVER DIKE FUNDS.]

The unobligated balance of the appropriations made in Laws 1981, chapter 361, section 3, subdivision 3, and Laws 1985, First Special Session chapter 15, section 4, subdivision 5, does not cancel pursuant to Minnesota Statutes, section 16A.28 or other law, but is available for grants to evaluate the practicality and feasibility of establishing a coordinated diking system along both sides of the Red River of the North beginning at East Grand Forks and Grand Forks and extending north for the Minnesota counties of Polk, Marshall, and Kittson, and North Dakota counties of Grand Forks, Walsh, and Pembina. The commissioner of natural resources shall make the grants available to the Lower Red River watershed management



board to cooperate and work with the Minnesota counties and the North Dakota counties and local water management organizations."

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

The report was adopted.

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

H. F. No. 663, A bill for an act relating to health; providing for disposition of the remains of human fetuses; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Page 1, line 17, before "offspring" insert "dead"

Page 1, line 18, delete "is bone structure" and insert "are cartilaginous structures, fetal"

Page 1, line 24, delete "at a hospital, clinic,"

Page 1, line 25, delete "or medical facility"

Page 2, line 2, after "or" insert ", if not possible,"

Page 2, line 7, after "interment" insert "by burial"

Page 2, line 10, after "offspring" insert "or for purposes of a criminal investigation or determination of parentage"

Page 2, delete lines 12 to 17

Renumber the remaining subdivisions

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 828, A bill for an act relating to insurance; regulating trade practices; authorizing the payment of differing amounts of

reimbursement to insured under individual policies; amending Minnesota Statutes 1986, section 72A.20, subdivision 15.

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

The report was adopted.

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

H. F. No. 844, A bill for an act relating to environment; prohibiting the use of certain pesticides; proposing coding for new law in Minnesota Statutes, chapter 18A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [18A.49] [USE OF CHLORDANE PROHIBITED.]

Subdivision 1. [PROHIBITION.] The state, a state agency, a political subdivision of the state, a person, or other legal entity may not sell, use, or apply the pesticide chlordane or its derivative heptachlor within the state.

Subd. 2. [PENALTY.] A person who violates subdivision 1 is guilty of a misdemeanor. Each day of violation is a separate offense.”

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 967, A bill for an act relating to education; requiring school districts to teach Braille to blind pupils; proposing coding for new law in Minnesota Statutes, chapter 126.

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

The report was adopted.

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

H. F. No. 1002, A bill for an act relating to utilities; establishing program to provide communication-impaired people with devices enabling their use of telephones; creating advisory committee and requiring report; providing for payment of costs of program; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [237.50] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 8 have the meanings given them in this section.

Subd. 2. [COMMUNICATION IMPAIRED.] "Communication impaired" means certified as deaf, severely hearing-impaired, hard-of-hearing, speech-impaired, or deaf and blind.

Subd. 3. [COMMUNICATION DEVICE.] "Communication device" means a device that when connected to a telephone enables a communication-impaired person to communicate with another person utilizing the telephone system. A "communication device" includes a ring-signalor, an amplification device, a telecommunications device for the deaf, and a telebraille unit.

Subd. 4. [THIRD-PARTY MESSAGE RELAY.] "Third-party message relay" means a central statewide service through which a communication-impaired person, using a communication device, may send and receive messages to and from a non-communication-impaired person whose telephone is not equipped with a communication device and through which a non-communication-impaired person may, by using voice communication, send and receive messages to and from a communication-impaired person.

Sec. 2. [237.51] [COMMUNICATION-IMPAIRED PROGRAM.]

The commission shall require the telephone company providing local exchange service to the largest number of customers in the state to establish and operate a program to provide communication devices and a message relay system for eligible communication-impaired persons. The company designated under this subdivision shall retain the services of a program administrator knowledgeable about the needs of communication-impaired people and experienced in administration to administer the communication-impaired program.

## Sec. 3. [237.52] [COMMUNICATION DEVICES.]

Subdivision 1. [APPLICATION.] A person applying for a communication device under this section must apply to the program administrator retained under section 2 on a form prescribed by the administrator.

Subd. 2. [ELIGIBILITY.] To be eligible to obtain a communication device under this section, a person must be:

- (1) at least 18 years of age;
- (2) communication impaired;
- (3) a resident of the state;

(4) a resident in a household that has a median income at or below the applicable median household income in the state as determined by the state demographer, except a deaf and blind person applying for a telebraille unit may reside in a household that has a median income no more than 150 percent of the median household income in the state.

Subd. 3. [DISTRIBUTION.] The company designated to operate the program under section 2 shall purchase and distribute to each telephone company providing local exchange service sufficient communication devices so that each eligible household receives an appropriate device as determined by the advisory committee. Each telephone company providing local exchange service shall be responsible for installing and maintaining the communication devices free of charge, in each eligible household in its service area as directed by the administrator of the program. The initial distribution of the devices shall be on a priority basis as determined by the advisory committee under section 5.

Subd. 4. [TRAINING; MAINTENANCE.] The company providing local exchange service to an eligible household shall maintain the communication devices and provide training, without charge, to first-time users of the devices.

Subd. 5. [OWNERSHIP.] All communication devices purchased by the company operating the program under this section will become the property of the company providing the communication device to the eligible recipient and will be excluded from that company's rate base for the purpose of establishing rates under section 237.075 as applicable.

Subd. 6. [STANDARDS.] The communication devices distributed under this section must comply with the electronic industries association standards and approved by the Federal Communications

Commission. The company designated under section 2 must provide each eligible person a choice of several models of devices, the retail value of which may not exceed \$600 for a communication device for the deaf and a retail value of \$7,000 for a telebraille device.

Subd. 7. [REIMBURSEMENT.] The company designated under section 2 shall reimburse telephone companies including itself for the cost of providing any service required to be provided under this section from money in the special account established under section 7.

Sec. 4. [237.53] [MESSAGE RELAY SERVICE.]

Subdivision 1. [ESTABLISHMENT.] The company designated under section 2 shall contract with an appropriate telephone service provider to establish a third-party message relay service with an "800" number to enable telecommunication between communication-impaired persons and non-communication-impaired persons.

Subd. 2. [CONTRACT FOR SERVICE.] The company designated under section 2 shall contract with a local consumer organization that serves communication-impaired persons for operation of the message relay system. The operator of the system shall keep all messages confidential, shall train personnel in the unique needs of communication-impaired people, and shall inform communication-impaired persons and the public of the availability and use of the system. The operator shall not relay a message unless it originates or terminates through a communication device for the deaf or a telebraille device.

Sec. 5. [237.54] [ADVISORY COMMITTEE.]

Subdivision 1. [CREATION.] A 12-member advisory committee is established to advise in establishing and administering the communication-impaired program.

Subd. 2. [MEMBERS.] The membership of the committee must include:

(1) the commissioner of the department of human services or the commissioner's designee;

(2) the director of the department of public service or the director's designee;

(3) five communication-impaired persons appointed by the governor;

(4) one person chosen by the company required to manage the device distribution program;

(5) one member of the Minnesota telephone association appointed by the governor to represent other affected telephone companies;

(6) one person appointed by the governor to represent interLATA interexchange telephone companies;

(7) one person chosen by the organization responsible for operating the message relay service; and

(8) one person appointed by the governor who is a professional in the area of communications disabilities.

Subd. 3. [REMOVAL; VACANCY.] The removal of members and filling of vacancies shall be handled as provided under section 15.059, subdivision 4.

Subd. 4. [EXPENSES.] Members of the advisory committee may be reimbursed for expenses incurred in attending meetings as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

Subd. 5. [MEETINGS.] The advisory committee shall meet at least monthly until December 31, 1988, and at least quarterly thereafter, to assist in establishing and implementing the program.

Subd. 6. [DUTIES.] The advisory committee's duties include:

(1) defining economic hardship household and special needs, including circumstances requiring provision of more than one communication device per household;

(2) establishing criteria for eligibility to receive communication devices, including establishing priority criteria based on economic hardship, household criteria, and special needs;

(3) approving the initial report required in section 6 that contains the plans for program operation and each annual report that follows; and

(4) studying the potential economic impact of the program on local communication device retailers and dispensers and developing guidelines for the purchase of some communication devices from local retailers and dispensers if the study determines that otherwise they will be economically harmed by implementation of sections 1 to 7.

Sec. 6. [237.55] [REPORTS; PLANS.]

The program administrator shall prepare a report for presentation to the commission not later than December 31, 1987, to include plans for distributing communication devices and establishing a third-party message relay service and an accounting of money received and disbursed to date. The provision of service required under sections 1 to 7 may begin when the plan is approved by the commission or March 1, 1988, whichever is earlier. Beginning in 1988, the program administrator must prepare a report for presentation to the commission by December 31 of each year through the year 1992. Each report must review the accessibility of the telephone system to communication-impaired persons, review the ability of non-communication-impaired persons to communicate with communication-impaired persons via the telephone system, describe services provided, account for money received and disbursed annually for each aspect of the program to date, and include predicted future operation until the final report. The final report must, in detail, describe program operation and make recommendations for the funding and service level for necessary ongoing services. The commission may recommend changes in the program throughout its operation and shall make a recommendation to the legislature by February 1, 1993, for the future provision and maintenance of the services.

Sec. 7. [237.56] [SURCHARGE; ACCOUNT.]

Subdivision 1. [ASSESSMENT.] The program administrator in consultation with the department and the company designated to operate the program, shall annually recommend to the commission an adequate and appropriate mechanism to implement sections 1 to 7. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the program administrator and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than ten cents per average access line. The commission shall determine average access lines by using private branch exchange equivalents or trunk line equivalents for private systems.

Subd. 2. [ACCOUNT.] Every telephone company providing local service in this state shall collect the charges established by the commission under subdivision 1 and monthly transfer the money received to the company designated to operate the program under section 2. The company operating the program must deposit money collected from its customers for charges under this section and money received by other companies under this subdivision into a separate account to be managed separately from other company accounts.

Subd. 3. [EXPENDITURES.] Money in the account established in this section may only be used for:

(1) administering the program including personnel cost, public relations, planning, advisory committee members' expenses, and other reasonable expenses, not to exceed 20 percent of total program expenditures;

(2) purchasing, distributing, and maintaining communication devices for eligible persons;

(3) creating, operating, and maintaining the third-party message relay system;

(4) installing wiring for telephone service in economic hardship households; and

(5) reimbursing telephone companies for services rendered under section 3.

Sec. 8. [237.57] [ADEQUATE SERVICE.]

The services required to be provided under sections 1 to 6 may be enforced under section 237.081 upon a complaint of at least two communication-impaired persons within the service area of any one telephone company, provided that if only one person within the service area of a company is receiving service under sections 1 to 6, the commission may proceed upon a complaint from that person.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1987, and are repealed effective June 30, 1993."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1087, A bill for an act relating to public safety; school buses; requiring training for school bus drivers; providing for transitional requirements; appropriating money; amending Minnesota Statutes 1986, section 171.321, subdivision 2, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:



"Section 1. Minnesota Statutes 1986, section 171.321, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in this subdivision, no person shall drive a school bus when transporting school children to or from school or upon a school related trip or activity without:

(1) having a valid Class B or Class A license with a school bus endorsement except that; and

(2) certifying to the person's employer that the initial training required by subdivision 2 has been completed.

(b) A person possessing a valid driver's license but not a school bus endorsement may drive a vehicle with a seating capacity of ten or less persons used as a school bus but not outwardly equipped or identified as a school bus. A person who has not completed the training required by subdivision 2, but has completed at least four hours of classroom training and two hours of behind-the-wheel training, may operate a school bus as provided in this subdivision only if the person has a valid school bus endorsement and is accompanied on the school bus by a driver who has met the training requirement of subdivision 2.

Sec. 2. Minnesota Statutes 1986, section 171.321, subdivision 2, is amended to read:

Subd. 2. (a) The commissioner, in consultation with the commissioner of education, of public safety shall prescribe rules governing the qualifications of individuals to drive school buses.

(b) The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. The program must provide for the initial classroom and behind-the-wheel training, and the annual in-service training, required by subdivision 3. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the department of education, a licensed driver training school, or by another person or entity approved by both commissioners.

Sec. 3. Minnesota Statutes 1986, section 171.321, is amended by adding a subdivision to read:

Subd. 3. (a) A person who is issued a school bus endorsement may not operate a school bus as provided in subdivision 1, paragraph (a), until the person has certified to the person's employer that the person has completed eight hours of classroom training and six

hours of behind-the-wheel training. Training completed to qualify for a school bus endorsement may be counted toward the training required under this subdivision.

(b) To be employed as a school bus driver, a person must annually certify to the person's employer that the person has completed not less than three hours of in-service training. In-service training includes periodic safety meetings conducted by the school district or contract operator.

(c) An employer of a school bus driver must retain in the driver's file the certification that the driver has completed the required initial training and the required annual training.

Sec. 4. [TRANSITION.]

The department of public safety must adopt the training program required under section 2 by March 1, 1988. A school bus driver who holds a valid school bus endorsement on August 1, 1988, must complete the annual in-service training required under section 3 by August 1, 1989.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 4 are effective the day following final enactment. Sections 1 and 3 are effective August 1, 1988."

Delete the title and insert:

"A bill for an act relating to public safety; school buses; requiring training for school bus drivers; providing for transitional requirements; amending Minnesota Statutes 1986, section 171.321, subdivisions 1, 2, and by adding a subdivision."

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1185, A bill for an act relating to education; clarifying that funds may not be transferred from the debt redemption fund; amending Minnesota Statutes 1986, section 121.9121, subdivision 1.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1274, A bill for an act relating to crimes; taxes; providing for collection from convicted person's tax refund of court-ordered restitution to crime victims; amending Minnesota Statutes 1986, sections 270A.02; and 270A.03, subdivisions 2, 5, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 30, after the second "or" insert "under section 609.135"

Page 2, after line 31, insert:

"Sec. 5. Minnesota Statutes 1986, section 270A.10, is amended to read:

270A.10 [PRIORITY OF CLAIMS.]

If two or more debts, in a total amount exceeding the debtor's refund, are submitted for set-off, the priority of payment shall be as follows: First, any delinquent tax obligations of the debtor which are owed to the department shall be satisfied. Secondly, the refund shall be applied to debts for child support based on the order in time in which the commissioner received the debts. Thirdly, the refund shall be applied to the remaining debts based on the order in time in which the commissioner received the debts.

Sec. 6. Minnesota Statutes 1986, section 611A.04, is amended by adding a subdivision to read:

Subd. 1a. [NOTICE OF REVENUE RECAPTURE ACT PROVISIONS.] If the court grants restitution to a victim, it shall make reasonable efforts to inform the victim that the procedures contained in chapter 270A are available to assist the victim in collecting the restitution owed."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "altering the priority of claims payments;"

Page 1, line 5, delete "and"

Page 1, line 6, after "subdivision" insert "; 270A.10; and 611A.04, by adding a subdivision"

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. 1392, A bill for an act relating to business corporations; regulating the organization and operation of business corporations; providing for indemnification; providing voting rights; providing for the value, issuance, pledging, and acquisition of shares; and providing for payment on the return of shares; amending Minnesota Statutes 1986, sections 302A.011, subdivision 40; 302A.111, subdivisions 2 and 3; 302A.137; 302A.161, subdivision 22; 302A.201, subdivision 2; 302A.255, subdivision 1; 302A.405, subdivisions 1 and 2; 302A.409, subdivision 3; 302A.413, subdivision 5; 302A.433, subdivision 3; 302A.435, subdivision 2; 302A.437, subdivision 2; 302A.447, subdivision 7; 302A.455; 302A.457, subdivisions 1 and 2; 302A.473, subdivisions 1, 5, 6, and 7; 302A.501, subdivision 1; 302A.521, subdivisions 1, 8, and by adding a subdivision; and 302A.553, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 300.08, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATED POWERS.] (a) A corporation formed under the provisions of this chapter may:

(1) be known by its corporate name for the time stated in its certificate of incorporation;

(2) sue and be sued in any court;

(3) have, use, and alter a common seal;

(4) acquire, by purchase or otherwise, and hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purposes of its organization, subject to the limitations hereafter declared;

(5) elect or appoint in any manner it determines all necessary or proper officers, agents, boards, and committees, to fix their compensation, and to define their powers and duties;

(6) make and amend consistently with law bylaws providing for the management of its property and the regulation and government of its affairs; and

(7) wind up and liquidate its business in the manner provided by law.

(b) A corporation formed under this chapter shall indemnify those persons identified in section 300.083 against certain expenses and liabilities only as provided in section 300.083 and may indemnify other persons.

Sec. 2. Minnesota Statutes 1986, section 300.083, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Corporation" includes a domestic or foreign corporation that was the predecessor of the corporation referred to in this section in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(c) "Official capacity" means (1) with respect to a director, the position of director in a corporation, (2) with respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment or agency relationship undertaken by an employee or agent of the corporation, and (3) with respect to a director, officer, or employee, or agent of the corporation who, while a director, officer, or employee, or agent of the corporation, is or was serving at the request of the corporation or whose duties in that position involve or involved service as a director, officer, partner, trustee, employee, or agent of another organization or employee benefit plan, the position of that person as a director, officer, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

(d) "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the corporation.

(e) "Special legal counsel" means counsel who has not represented the corporation or a related corporation, or a director, officer, member of a committee or board, or employee, or agent whose indemnification is in issue.

Sec. 3. Minnesota Statutes 1986, section 300.083, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION OR LIMIT ON INDEMNIFICATION OR ADVANCES.] The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 including, without limitation, monetary limits on indemnification or advances of expenses, if the conditions apply equally to all persons or to all persons within a given class. A prohibition or limit on indemnification or advances may not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring prior to the effective date of a provision in the articles or the date of adoption of a provision in the bylaws establishing the prohibition or limit on indemnification or advances.

Sec. 4. Minnesota Statutes 1986, section 300.083, subdivision 8, is amended to read:

Subd. 8. [DISCLOSURE.] A corporation that indemnifies or advances expenses to a person in accordance with this section in connection with a proceeding by or on behalf of the corporation shall report to the shareholders in writing the amount of the indemnification or advance and to whom and on whose behalf it was paid to the shareholders in an annual report covering the period when the indemnification or advance was paid or accrued under the accounting method of the corporation not later than the next meeting of shareholders.

Sec. 5. Minnesota Statutes 1986, section 300.083, is amended by adding a subdivision to read:

Subd. 10. [INDEMNIFICATION OF OTHER PERSONS.] Nothing in this section shall be construed to limit the power of the corporation to indemnify other persons by contract or otherwise.

Sec. 6. Minnesota Statutes 1986, section 302A.011, subdivision 40, is amended to read:

Subd. 40. [PUBLICLY HELD CORPORATION.] "Publicly held corporation" means a corporation that has a class of equity securities registered pursuant to section 12, or is subject to section 15(d), of the Securities Exchange Act of 1934, as amended through December 31, 1984 1986.

Sec. 7. Minnesota Statutes 1986, section 302A.111, subdivision 2, is amended to read:

Subd. 2. [STATUTORY PROVISIONS THAT MAY BE MODIFIED ONLY IN ARTICLES.] The following provisions govern a corporation unless modified in the articles:

(a) A corporation has general business purposes (section 302A.101);

(b) A corporation has perpetual existence and certain powers (section 302A.161);

(c) The power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);

(d) A corporation must allow cumulative voting for directors (section 302A.215);

(e) The affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);

(f) A written action by the board taken without a meeting must be signed by all directors (section 302A.239);

(g) The board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) All shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) All shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) The par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) The board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends or splits, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) Shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends or splits, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) A corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) A shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) The affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) Shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding shares entitled to vote of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (c));

(r) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding participating shares of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (d)); and

(s) Each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3); and

(t) A corporation may issue shares for a consideration less than the par value, if any, of the shares (section 302A.405, subdivision 2).

Sec. 8. Minnesota Statutes 1986, section 302A.111, subdivision 3, is amended to read:

Subd. 3. [STATUTORY PROVISIONS THAT MAY BE MODIFIED EITHER IN ARTICLES OR IN BYLAWS.] The following provisions govern a corporation unless modified either in the articles or in the bylaws:

(a) Directors serve for an indefinite term that expires at the next regular meeting of shareholders (section 302A.207);

(b) The compensation of directors is fixed by the board (section 302A.211);

(c) A certain method must be used for removal of directors (section 302A.223);

(d) A certain method must be used for filling board vacancies (section 302A.225);

(e) If the board fails to select a place for a board meeting, it must be held at the principal executive office (section 302A.231, subdivision 1);



(f) A director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 302A.231, subdivision 3);

(g) A majority of the board is a quorum for a board meeting (section 302A.235);

(h) A committee shall consist of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present (section 302A.241, subdivision 2);

~~(i) A majority of a committee is a quorum for a committee meeting, unless otherwise provided by a resolution of the board (section 302A.241, subdivision 3);~~

~~(j)~~ The board may establish a committee of disinterested persons (section 302A.243);

~~(k)~~ (j) The chief executive officer and chief financial officer have specified duties, until the board determines otherwise (section 302A.305);

~~(l)~~ (k) Officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 302A.351);

~~(m)~~ (l) The board may establish uncertificated shares (section 302A.417, subdivision 7);

~~(n)~~ (m) Regular meetings of shareholders need not be held, unless demanded by a shareholder under certain conditions (section 302A.431);

~~(o)~~ (n) In all instances where a specific minimum notice period has not otherwise been fixed by law, not less than 10-days nor more than 60 days notice is required for a meeting of shareholders (section 302A.435, subdivision 2);

~~(p)~~ (o) The number of shares required for a quorum at a shareholders' meeting is a majority of the voting power of the shares entitled to vote at the meeting (section 302A.443);

~~(q)~~ (p) The board may fix a date up to 60 days before the date of a shareholders' meeting as the date for the determination of the holders of shares entitled to notice of and entitled to vote at the meeting (section 302A.445, subdivision 1);

~~(r)~~ (q) Indemnification of certain persons is required (section 302A.521); and

(s) (r) The board may authorize, and the corporation may make, distributions not prohibited, limited, or restricted by an agreement (section 302A.551, subdivision 1).

Sec. 9. Minnesota Statutes 1986, section 302A.133, is amended to read:

**302A.133 [PROCEDURE FOR AMENDMENT BEFORE ISSUANCE OF SHARES.]**

Before the issuance of shares by a corporation, the articles may be amended pursuant to section 302A.171 by the incorporators or by the board. The articles may be amended by the board to change a statement pursuant to section 302A.401, subdivision 3, establishing or fixing the rights and preferences of a class or series of shares before the issuance of any shares of that class or series.

Sec. 10. Minnesota Statutes 1986, section 302A.135, subdivision 4, is amended to read:

Subd. 4. [APPROVAL BY SHAREHOLDERS.] (a) The proposed amendment is adopted when approved by the affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote, except as provided in paragraphs (b) and (c) and subdivision 5.

(b) For a closely held corporation, if the articles provide for a specified proportion or number equal to or larger than the majority necessary to transact a specified type of business at a meeting, or if it is proposed to amend the articles to provide for a specified proportion or number equal to or larger than the majority necessary to transact a specified type of business at a meeting, the affirmative vote necessary to add the provision to, or to amend an existing provision in, the articles is the larger of:

(1) The specified proportion or number or, in the absence of a specific provision, the affirmative vote necessary to transact the type of business described in the proposed amendment at a meeting immediately before the effectiveness of the proposed amendment; or

(2) The specified proportion or number that would, upon effectiveness of the proposed amendment, be necessary to transact the specified type of business at a meeting.

(c) For corporations other than closely held corporations, if the articles provide for a larger proportion or number to transact a specified type of business at a meeting, the affirmative vote of that larger proportion or number is necessary to amend the articles to decrease the proportion or number necessary to transact the business.

Sec. 11. Minnesota Statutes 1986, section 302A.135, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN RESTATEMENTS.] An amendment that merely restates the existing articles, as amended, may be authorized by a resolution approved by the board and may, but need not, be submitted to and approved by the shareholders as provided in subdivisions 2, 3, and 4.

Sec. 12. Minnesota Statutes 1986, section 302A.137, is amended to read:

302A.137 [CLASS OR SERIES VOTING ON AMENDMENTS.]

The holders of the outstanding shares of a class or series are entitled to vote as a class or series upon a proposed amendment, whether or not entitled to vote thereon by the provisions of the articles, if the amendment would:

(a) Increase or decrease the aggregate number of authorized shares of the class or series;

(b) ~~Increase or decrease the par value of the shares of the class or series;~~

(c) ~~Effect an exchange, reclassification, or cancellation of all or part of the shares of the class or series;~~

(d) (c) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class or series for the shares of the class or series;

(e) (d) Change the rights or preferences of the shares of the class or series;

(f) (e) Change the shares of the class or series, whether with or without par value, into the same or a different number of shares, either with or without par value, of the same or another class or series;

(g) (f) Create a new class or series of shares having rights and preferences prior and superior to the shares of that class or series, or increase the rights and preferences or the number of authorized shares, of a class or series having rights and preferences prior or superior to the shares of that class or series;

(h) (g) Divide the shares of the class into series and determine the designation of each series and the variations in the relative rights and preferences between the shares of each series, or authorize the board to do so;

(i) (h) Limit or deny any existing preemptive rights of the shares of the class or series; or

(j) (i) Cancel or otherwise affect distributions on the shares of the class or series that have accrued but have not been declared.

Sec. 13. Minnesota Statutes 1986, section 302A.139, is amended to read:

302A.139 [ARTICLES OF AMENDMENT.]

When an amendment has been adopted, articles of amendment shall be prepared that contain:

(a) The name of the corporation;

(b) The amendment adopted;

(c) The date of the adoption of the amendment by the shareholders, or by the incorporators or the board where no shares have been issued; or the date of adoption of the amendment by the board if:

(1) the amendment merely restates the existing articles, as amended, and the amendment was not submitted to and approved by the shareholders, in which case the articles of amendment must contain a statement that the amendment restating the articles correctly sets forth without change the corresponding provisions of the articles as previously amended; or

(2) the amendment is to a statement establishing or fixing the rights and preferences of a class or series of shares before the issuance of shares of that class or series;

(d) If the amendment provides for but does not establish the manner for effecting an exchange, reclassification, or cancellation of issued shares, a statement of the manner in which it will be effected; and

(e) If the amendment restates the articles in their entirety, a statement that the restated articles supersede the original articles and all amendments to them.

Sec. 14. Minnesota Statutes 1986, section 302A.141, is amended by adding a subdivision to read:

Subd. 3. [EFFECT OF AMENDMENTS RESTATING ARTICLES.] When effective under section 302A.153, an amendment restating the articles in their entirety supersedes the original articles and all amendments to the original articles.

Sec. 15. Minnesota Statutes 1986, section 302A.161, subdivision 22, is amended to read:

Subd. 22. [INDEMNIFICATION.] A corporation shall indemnify those persons identified in section 302A.521 against certain expenses and liabilities only as provided in section 302A.521 and may indemnify other persons.

Sec. 16. Minnesota Statutes 1986, section 302A.201, subdivision 2, is amended to read:

Subd. 2. [SHAREHOLDER MANAGEMENT.] The holders of the shares entitled to vote for directors of the corporation may, by unanimous affirmative vote, take any action that this chapter requires or permits the board to take ~~or the shareholders to take after action or approval of the board.~~ As to an action taken by the shareholders in that manner:

(a) The directors have no duties, liabilities, or responsibilities as directors under this chapter with respect to or arising from the action;

(b) The shareholders collectively and individually have all of the duties, liabilities, and responsibilities of directors under this chapter with respect to and arising from the action;

(c) If the action relates to a matter required or permitted by this chapter or by any other law to be approved or adopted by the board, either with or without approval or adoption by the shareholders, the action is deemed to have been approved or adopted by the board; and

(d) A requirement that an instrument filed with a governmental agency contain a statement that the action has been approved and adopted by the board is satisfied by a statement that the shareholders have taken the action under this subdivision.

Sec. 17. Minnesota Statutes 1986, section 302A.255, subdivision 1, is amended to read:

Subdivision 1. [CONFLICT; PROCEDURE WHEN CONFLICT ARISES.] A contract or other transaction between a corporation and one or more of its directors, or between a corporation and an organization in or of which one or more of its directors are directors, officers, or legal representatives or have a material financial interest, is not void or voidable because the director or directors or the other organizations are parties or because the director or directors are present at the meeting of the shareholders or the board or a committee at which the contract or transaction is authorized, approved, or ratified, if:

(a) The contract or transaction was, and the person asserting the validity of the contract or transaction sustains the burden of establishing that the contract or transaction was, fair and reasonable as to the corporation at the time it was authorized, approved, or ratified;

(b) The material facts as to the contract or transaction and as to the director's or directors' interest are fully disclosed or known to the shareholders and the contract or transaction is approved in good faith by (1) the holders of a majority two-thirds of the outstanding shares, but shares owned by the interested director or directors shall not be counted in determining the presence of a quorum and shall not be voted voting power of the shares entitled to vote which are owned by persons other than the interested director or directors, or (2) the unanimous affirmative vote of the holders of all outstanding shares, whether or not entitled to vote;

(c) The material facts as to the contract or transaction and as to the director's or directors' interest are fully disclosed or known to the board or a committee, and the board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the board or committee, but the interested director or directors shall not be counted in determining the presence of a quorum and shall not vote; or

(d) The contract or transaction is a distribution described in section 302A.551, subdivision 1, or a merger or exchange described in section 302A.601, subdivision 1 or 2.

Sec. 18. Minnesota Statutes 1986, section 302A.401, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR FIXING TERMS.] (a) Subject to any restrictions in the articles, the power granted in subdivision 2 may be exercised by a resolution approved by the affirmative vote of a majority of the directors present establishing a class or series, setting forth the designation of the class or series, and fixing the relative rights and preferences of the class or series.

(b) A statement setting forth the name of the corporation and the text of the resolution and certifying the adoption of the resolution and the date of adoption shall be filed with the secretary of state before the issuance of any shares for which the resolution creates rights or preferences not set forth in the articles; provided, however, where the shareholders have received notice of the creation of shares with rights or preferences not set forth in the articles before the issuance of the shares, the statement may be filed any time within one year after the issuance of the shares. The resolution is effective when the statement has been filed with the secretary of state; or, if it is not required to be filed with the secretary of state before the issuance of shares, on the date of its adoption by the directors.

Sec. 19. Minnesota Statutes 1986, section 302A.405, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATION; PROCEDURE.] Subject to any restrictions in the articles:

(a) Shares may be issued for any consideration, including, without limitation, money or other tangible or intangible property received by the corporation or to be received by the corporation under a written agreement, or services rendered to the corporation or to be rendered to the corporation under a written agreement, as authorized by resolution approved by the affirmative vote of a majority of the directors present, or approved by the affirmative vote of the holders of a majority of the voting power of the shares present, valuing all nonmonetary consideration and establishing a price in money or other consideration, or a minimum price, or a general formula or method by which the price will be determined; and

(b) Upon authorization by resolution approved by the affirmative vote of a majority of the directors present or approved by the affirmative vote of the holders of a majority of the voting power of the shares present, the corporation may, without any new or additional consideration, issue its own shares in exchange for or in conversion of its outstanding shares, or issue its own shares pro rata to its shareholders or the shareholders of one or more classes or series, to effectuate share dividends or splits, including reverse share splits. No shares of a class or series, shares of which are then outstanding, shall be issued to the holders of shares of another class or series (except in exchange for or in conversion of outstanding shares of the other class or series), unless the issuance either is expressly provided for in the articles or is approved at a meeting by the affirmative vote of the holders of a majority of the voting power of all shares of the same class or series as the shares to be issued.

Sec. 20. Minnesota Statutes 1986, section 302A.405, subdivision 2, is amended to read:

Subd. 2. [VALUE; LIABILITY.] The determinations of the board or the shareholders as to the amount or fair value or the fairness to the corporation of the consideration received or to be received by the corporation for its shares or the terms of payment, as well as the agreement to issue shares for that consideration, are presumed to be proper if they are made in good faith and on the basis of accounting methods, or a fair valuation or other method, reasonable in the circumstances, and, unless otherwise required by the articles, the consideration may be less than the par value, if any, of the shares. Directors or shareholders who are present and entitled to vote, and who, intentionally or without reasonable investigation, fail to vote against approving an issue of shares for a consideration that is unfair to the corporation, or overvalue property or services received or to be received by the corporation as consideration for shares

issued, are jointly and severally liable to the corporation for the benefit of the then shareholders who did not consent to and are damaged by the action, to the extent of the damages of those shareholders. A director or shareholder against whom a claim is asserted pursuant to this subdivision, except in case of knowing participation in a deliberate fraud, is entitled to contribution on an equitable basis from other directors or shareholders who are liable under this section.

Sec. 21. Minnesota Statutes 1986, section 302A.409, subdivision 3, is amended to read:

Subd. 3. [ISSUANCE PERMITTED.] A corporation may issue rights to purchase if:

(a) Shares issuable upon the exercise of all outstanding rights to purchase, including the rights to purchase that are to be issued, are authorized under section 302A.111, subdivision 1, and are unissued; and

(b) after the terms, provisions, and conditions of the rights to purchase to be issued, including the conversion basis or the price at which securities may be purchased or subscribed for, are fixed by the board, subject to any restrictions in the articles.

Sec. 22. Minnesota Statutes 1986, section 302A.413, subdivision 5, is amended to read:

Subd. 5. [FRACTION TO BE ACQUIRED.] The fraction of the new issue that each shareholder may acquire by exercise of a preemptive right is the ratio that the number of shares of that class or series owned by the shareholder before the new issue bears to the total number of shares of that class or series issued and outstanding before the new issue. For purposes of determining pursuant to this subdivision the total number of shares of a class or series issued and outstanding at a particular time, all shares of that class or series issuable upon a conversion or exchange or upon the exercise of rights to purchase are considered issued and outstanding at that time.

Sec. 23. Minnesota Statutes 1986, section 302A.433, subdivision 3, is amended to read:

Subd. 3. [TIME; PLACE.] Special meetings shall be held on the date and at the time and place fixed by the chief executive officer, the chief financial officer, the board, or a person authorized by the articles or bylaws to call a meeting, except that a special meeting called by or at the demand of a shareholder or shareholders pursuant to subdivision 2 shall be held in the county where the principal executive office is located.



Sec. 24. Minnesota Statutes 1986, section 302A.435, subdivision 2, is amended to read:

Subd. 2. [WHEN GIVEN.] In all instances where a specific minimum notice period has not otherwise been fixed by law, the notice shall be given at least ten days before the date of the meeting, or a shorter time provided in the articles or bylaws, and not more than 60 days before the date of the meeting.

Sec. 25. Minnesota Statutes 1986, section 302A.437, subdivision 2, is amended to read:

Subd. 2. [VOTING BY CLASS.] In any case where a class or series of shares is entitled by this chapter, the articles, the bylaws, or the terms of the shares to vote as a class or series, the matter being voted upon must also receive the affirmative vote of the holders of the same proportion of the shares present of that class or series, or of the total outstanding shares of that class or series, as is the proportion required pursuant to subdivision 1, unless the articles require a larger proportion. Unless otherwise stated in the articles or bylaws in the case of voting as a class, the minimum percentage of the total number of shares of the class or series which must be present shall be equal to the minimum percentage of all outstanding shares entitled to vote required to be present under section 302A.443.

Sec. 26. Minnesota Statutes 1986, section 302A.447, subdivision 7, is amended to read:

Subd. 7. [PLEGGED SHARES.] A shareholder whose shares are pledged may vote those shares until the shares are registered in the name of the pledgee. If the corporation pledges its own shares under section 302A.553, subdivision 1, the corporation shall not be entitled to vote the shares at a meeting or otherwise.

Sec. 27. Minnesota Statutes 1986, section 302A.455, is amended to read:

#### 302A.455 [SHAREHOLDER VOTING AGREEMENTS.]

A written agreement solely among persons who are then shareholders or subscribers for shares to be issued, relating to the voting of their shares, is valid and specifically enforceable by and against the parties to the agreement. The agreement may override the provisions of section 302A.449 regarding proxies and is not subject to the provisions of section 302A.453 regarding voting trusts.

Sec. 28. Minnesota Statutes 1986, section 302A.457, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED.] A written agreement solely among the shareholders of a corporation and the subscribers for shares to be issued, relating to the control of any phase of the business and affairs of the corporation, its liquidation and dissolution, or the relations among shareholders of or subscribers to shares of the corporation is valid and specifically enforceable as provided in subdivision 2.

Sec. 29. Minnesota Statutes 1986, section 302A.457, subdivision 2, is amended to read:

Subd. 2. [METHOD OF APPROVAL; ENFORCEABILITY; COPIES.] (a) A written agreement solely among persons described in subdivision 1 that relates to the control of or the liquidation and dissolution of the corporation, the relations among them, or any phase of the business and affairs of the corporation, including, without limitation, the management of its business, the declaration and payment of distributions, the election of directors or officers, the employment of shareholders by the corporation, or the arbitration of disputes, is valid and specifically enforceable, if the agreement is signed by all persons who are then the shareholders of the corporation, whether or not the shareholders all have voting shares, and the subscribers for shares, whether or not voting shares, to be issued.

(b) The agreement is enforceable by the persons described in subdivision 1 who are parties to it and is binding upon and enforceable against only those persons and other persons having knowledge of the existence of the agreement. A copy of the agreement shall be filed with the corporation. The existence and location of a copy of the agreement shall be noted conspicuously on the face or back of each certificate for shares issued by the corporation and on each transaction statement.

(c) A shareholder, a beneficial owner of shares, or another person having a security interest in shares has the right upon written demand to obtain a copy of the agreement from the corporation at the expense of the corporation.

Sec. 30. Minnesota Statutes 1986, section 302A.473, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Corporation" means the issuer of the shares held by a dissenter before the corporate action referred to in section 302A.471, subdivision 1 or the successor by merger of that issuer.

(c) "Fair value of the shares" means the value of the shares of a corporation immediately before the effective date of the corporate action referred to in section 302A.471, subdivision 1.

(d) "Interest" means interest ~~from~~ commencing five days after the effective date of the corporate action referred to in section 302A.471, subdivision 1 ~~until~~ up to and including the date of payment, calculated at the rate provided in section 549.09 for interest on verdicts and judgments.

Sec. 31. Minnesota Statutes 1986, section 302A.473, subdivision 5, is amended to read:

Subd. 5. [PAYMENT; RETURN OF SHARES.] (a) After the corporate action takes effect, or after the corporation receives a valid demand for payment, whichever is later, the corporation shall remit to each dissenting shareholder who has complied with subdivisions 3 and 4 the amount the corporation estimates to be the fair value of the shares, with plus interest, ~~if any~~, accompanied by:

(1) The corporation's closing balance sheet and statement of income for a fiscal year ending not more than 16 months before the effective date of the corporate action, together with the latest available interim financial statements;

(2) An estimate by the corporation of the fair value of the shares and a brief description of the method used to reach the estimate; and

(3) A copy of section 302A.471 and this section, and a brief description of the procedure to be followed in demanding supplemental payment.

(b) The corporation may withhold the remittance described in paragraph (a) from a person who was not a shareholder on the date the action dissented from was first announced to the public or who is dissenting on behalf of a person who was not a beneficial owner on that date. If the dissenter has complied with subdivisions 3 and 4, the corporation shall forward to the dissenter the materials described in paragraph (a), a statement of the reason for withholding the remittance, and an offer to pay to the dissenter the amount listed in the materials if the dissenter agrees to accept that amount in full satisfaction. The dissenter may decline the offer and demand payment under subdivision 6. Failure to do so entitles the dissenter only to the amount offered. If the dissenter makes demand, subdivisions 7 and 8 apply.

(c) If the corporation fails to remit payment within 60 days of the deposit of certificates or the imposition of transfer restrictions on uncertificated shares, it shall return all deposited certificates and cancel all transfer restrictions. However, the corporation may again give notice under subdivision 4 and require deposit or restrict transfer at a later time.

Sec. 32. Minnesota Statutes 1986, section 302A.473, subdivision 6, is amended to read:

Subd. 6. [SUPPLEMENTAL PAYMENT; DEMAND.] If a dissenter believes that the amount remitted under subdivision 5 is less than the fair value of the shares ~~with plus~~ interest, ~~if any~~, the dissenter may give written notice to the corporation of the dissenter's own estimate of the fair value of the shares, ~~with plus~~ interest, ~~if any~~, within 30 days after the corporation mails the remittance under subdivision 5, and demand payment of the difference. Otherwise, a dissenter is entitled only to the amount remitted by the corporation.

Sec. 33. Minnesota Statutes 1986, section 302A.473, subdivision 7, is amended to read:

Subd. 7. [PETITION; DETERMINATION.] If the corporation receives a demand under subdivision 6, it shall, within 60 days after receiving the demand, either pay to the dissenter the amount demanded or agreed to by the dissenter after discussion with the corporation or file in court a petition requesting that the court determine the fair value of the shares, ~~with plus~~ interest, ~~if any~~. The petition shall be filed in the county in which the registered office of the corporation is located, except that a surviving foreign corporation that receives a demand relating to the shares of a constituent domestic corporation shall file the petition in the county in this state in which the last registered office of the constituent corporation was located. The petition shall name as parties all dissenters who have demanded payment under subdivision 6 and who have not reached agreement with the corporation. The jurisdiction of the court is plenary and exclusive. The court may appoint appraisers, with powers and authorities the court deems proper, to receive evidence on and recommend the amount of the fair value of the shares. The court shall determine whether the shareholder or shareholders in question have fully complied with the requirements of this section, and shall determine the fair value of the shares, taking into account any and all factors the court finds relevant, computed by any method or combination of methods that the court, in its discretion, sees fit to use, whether or not used by the corporation or by a dissenter. The fair value of the shares as determined by the court is binding on all shareholders, wherever located. A dissenter is entitled to judgment for the amount by which the fair value of the shares as determined by the court, plus interest, exceeds the amount, if any, remitted under subdivision 5, but shall not be liable to the corporation for the amount, if any, by which the amount, if any, remitted to the dissenter under subdivision 5 exceeds the fair value of the shares as determined by the court, plus interest.

Sec. 34. Minnesota Statutes 1986, section 302A.501, subdivision 1, is amended to read:

Subdivision 1. [PREREQUISITES.] A corporation may lend money to, guarantee an obligation of, become a surety for, or otherwise financially assist a person, if the transaction, or a class of

transactions to which the transaction belongs, is approved by the affirmative vote of a majority of the directors present and:

(a) Is in the usual and regular course of business of the corporation;

(b) Is with, or for the benefit of, a related corporation, an organization in which the corporation has a financial interest, an organization with which the corporation has a business relationship, or an organization to which the corporation has the power to make donations;

(c) Is with, or for the benefit of, an officer or other employee of the corporation or a subsidiary, including an officer or employee who is a director of the corporation or a subsidiary, and may reasonably be expected, in the judgment of the board, to benefit the corporation; or

(d) Has been approved by (1) the affirmative vote of the holders of two-thirds of the outstanding shares of the voting power of the shares entitled to vote which are owned by persons other than the interested person or persons, or (2) the unanimous affirmative vote of the holders of all outstanding shares, whether or not entitled to vote.

Sec. 35. Minnesota Statutes 1986, section 302A.521, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Corporation" includes a domestic or foreign corporation that was the predecessor of the corporation referred to in this section in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(c) "Official capacity" means (1) with respect to a director, the position of director in a corporation, (2) with respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment or agency relationship undertaken by an employee or agent of the corporation, and (3) with respect to a director, officer, or employee, or agent of the corporation who, while a director, officer, or employee, or agent of the corporation, is or was serving at the request of the corporation or whose duties in that position involve or involved service as a director, officer, partner, trustee, employee, or agent of another organization or employee benefit plan, the position of that person as a director, officer, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

(d) "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the corporation.

(e) "Special legal counsel" means counsel who has not represented the corporation or a related corporation, or a director, officer, member of a committee of the board, or employee, or agent whose indemnification is in issue.

Sec. 36. Minnesota Statutes 1986, section 302A.521, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION OR LIMIT ON INDEMNIFICATION OR ADVANCES.] The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 including, without limitation, monetary limits on indemnification or advances of expenses, if the conditions apply equally to all persons or to all persons within a given class. A prohibition or limit on indemnification or advances may not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring prior to the effective date of a provision in the articles or the date of adoption of a provision in the by-laws establishing the prohibition or limit on indemnification or advances.

Sec. 37. Minnesota Statutes 1986, section 302A.521, subdivision 8, is amended to read:

Subd. 8. [DISCLOSURE.] A corporation that indemnifies or advances expenses to a person in accordance with this section in connection with a proceeding by or on behalf of the corporation shall report to the shareholders in writing the amount of the indemnification or advance and to whom and on whose behalf it was paid as part of the annual financial statements furnished to shareholders pursuant to section 302A.463 covering the period when the indemnification or advance was paid or accrued under the accounting method of the corporation reflected in the financial statements not later than the next meeting of shareholders.

Sec. 38. Minnesota Statutes 1986, section 302A.521, is amended by adding a subdivision to read:

Subd. 9. [INDEMNIFICATION OF OTHER PERSONS.] Nothing in this section shall be construed to limit the power of the corporation to indemnify other persons by contract or otherwise.

Sec. 39. Minnesota Statutes 1986, section 302A.553, subdivision 1, is amended to read:

Subdivision 1. [WHEN PERMITTED; STATUS OF SHARES.] A corporation may acquire its own shares, subject to section 302A.551. If the corporation pledges the shares to secure payment of the redemption price thereof, then the corporation shall not be deemed to have acquired the shares for the purposes of this subdivision until the pledge is released. Shares so acquired by a corporation constitute authorized but unissued shares of the corporation, unless the articles provide that they shall not be reissued, in which case the number of authorized shares is reduced by the number of shares acquired.

Sec. 40. Minnesota Statutes 1986, section 302A.727, is amended to read:

302A.727 [NOTICE TO CREDITORS AND CLAIMANTS.]

Subdivision 1. [WHEN PERMITTED; HOW GIVEN.] When a notice of intent to dissolve has been filed with the secretary of state, the corporation may give notice of the filing to each known creditor of and claimant against the corporation at the last known address of each known or unknown, present, or future, ~~or~~ and contingent creditor and claimant or noncontingent. ~~The corporation may give published notice to known creditors or claimants whose address is unknown and to unknown present, future, or contingent creditors and claimants. If notice to creditors and claimants is given, it must be given by publishing the notice once each week for four successive weeks in a legal newspaper in the county or counties where the registered office and the principal executive office of the corporation are located and by giving written notice to known creditors and claimants pursuant to section 302A.011, subdivision 17.~~

Subd. 2. [CONTENTS.] The notice to creditors and claimants shall contain:

- (a) A statement that the corporation is in the process of dissolving;
- (b) A statement that the corporation has filed with the secretary of state a notice of intent to dissolve;
- (c) The date of filing the notice of intent to dissolve;
- (d) The address of the office to which written claims against the corporation must be presented; and
- (e) The date by which all the claims must be received, which shall be the later of 90 days after the notice of intent to dissolve was filed with the secretary of state published notice or, with respect to a particular known creditor or claimant, 90 days after the date on which written notice was given to that creditor or claimant. Pub-

lished notice is deemed given on the date of first publication for the purpose of determining this date.

Sec. 41. Minnesota Statutes 1986, section 302A.729, is amended to read:

302A.729 [CLAIMS IN DISSOLUTION.]

Subdivision 1. [PROCEDURE.] If the corporation gives proper notice to creditors and claimants pursuant to section 302A.727:

(a) The claim of a creditor or claimant to whom notice is given who fails to file a claim according to the procedures set forth by the corporation on or before the date set forth in the notice is subject to the provisions of section 302A.781;

(b) The corporation has 30 days from the receipt of each claim filed according to the procedures set forth by the corporation on or before the date set forth in the notice to accept or reject the claim by giving written notice to the person submitting it; a claim not expressly rejected in this manner is deemed accepted; and

(c) (b) A creditor or claimant to whom notice is given and whose claim is rejected by the corporation has 60 days from the date of rejection, or 180 days from the date the corporation filed with the secretary of state the notice of intent to dissolve, or 90 days after the date on which notice was given to the creditor or claimant, whichever is longer, to pursue any other remedies with respect to the claim. If the creditor or claimant does not initiate legal, administrative, or arbitration proceedings with respect to the claim during that period, the claim is subject to the provisions of section 302A.781.

Subd. 2. [STATUTE OF LIMITATIONS.] The claim of a creditor or claimant to whom notice is not given and for whom payment of any debt is not made or provided for and who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is thereafter subject to the provisions of 302A.781.

Sec. 42. [302A.730] [STATUTE OF LIMITATIONS.]

Subdivision 1. [CORPORATIONS THAT GIVE NOTICE.] If the corporation gives notice to creditors and claimants pursuant to section 302A.727:

(1) the claim of a creditor or claimant to whom notice is given who fails to file a claim according to the procedures set forth by the corporation on or before the date set forth in the notice is subject to the provisions of section 302A.781;



(2) the claim of a creditor or claimant that is rejected by the corporation in accordance with section 302A.729 is subject to the provisions of section 302A.781 if the creditor or claimant does not initiate legal, administrative, or arbitration proceedings with respect to the claim during the period set forth in section 302A.729, clause (b).

Subd. 2. [OTHER CORPORATIONS.] If the corporation does not give notice to creditors and claimants pursuant to section 302A.727, the claim of a creditor or claimant who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is subject to the provisions of section 302A.781.

Sec. 43. Minnesota Statutes 1986, section 302A.733, subdivision 1, is amended to read:

Subdivision 1. [ARTICLES; WHEN FILED.] Articles of dissolution for a corporation dissolving pursuant to section 302A.721 shall be filed with the secretary of state after:

(a) The payment of claims of all known creditors and claimants has been made or provided for;

(b) The longer of the periods described in section 302A.729, subdivision 1, clause (e) has expired, if the corporation has given notice to creditors and claimants of the corporation in the manner described in section 302A.727; or, in all other cases, if the corporation has given notice to creditors and claimants in the manner provided in section 302A.727: (1) the 90-day period in section 302A.727, subdivision 2, clause (e), has expired and the payment of claims of all creditors and claimants filing a claim within that period has been made or provided for; or (2) the longer of the periods described in section 302A.729, clause (b), has expired; or, in all other cases;

(c) The two-year period described in section 302A.729, subdivision 2 42 has expired.

Sec. 44. Minnesota Statutes 1986, section 302A.733, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF ARTICLES.] The articles of dissolution shall state:

(a) Whether notice has been given to all creditors and claimants of the corporation in the manner provided in section 302A.727, and, if notice has been given, the last date on which the notice was given and: (1) that the payment of all creditors and claimants filing a claim within the 90-day period set forth in section 302A.727,

subdivision 2, clause (e), has been made or provided for; or (2) the date on which the longer of the periods described in section 302A.729, subdivision 1, clause (e) (b), expired; or

(b) If notice was not given and articles of dissolution are being filed pursuant to section 302A.733, subdivision 1, clause (a) that all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provisions have been made therefor; and

(c) That the remaining property, assets, and claims of the corporation have been distributed among its shareholders in accordance with section 302A.551, subdivision 4, or that adequate provision has been made for that distribution; and

(d) That there are no pending legal, administrative, or arbitration proceedings by or against the corporation, or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in a pending proceeding; and that all other claims are barred under section 302A.781.

Sec. 45. Minnesota Statutes 1986, section 302A.781, is amended to read:

#### 302A.781 [CLAIMS BARRED; EXCEPTIONS.]

Subdivision 1. [CLAIMS BARRED.] A person who is or becomes a creditor or claimant at any time before, during, or following the conclusion of dissolution proceedings, who does not file a claim or pursue a remedy in a legal, administrative, or arbitration proceeding within the time provided in section ~~302A.729~~ 42, 302A.741, 302A.751, or 302A.759, or has not initiated a legal, administrative, or arbitration proceeding before the commencement of the dissolution proceedings, and all those claiming through or under the creditor or claimant, are forever barred from suing on that claim or otherwise realizing upon or enforcing it, except as provided in this section.

Subd. 2. [CLAIMS REOPENED.] At any time within one year after articles of dissolution have been filed with the secretary of state pursuant to section 302A.733, subdivision 1, clause (b) or (c), or a decree of dissolution has been entered, a creditor or claimant who shows good cause for not having previously filed the claim may apply to a court in this state to allow a claim:

(a) Against the corporation to the extent of undistributed assets; or

(b) If the undistributed assets are not sufficient to satisfy the claim, against a shareholder, whose liability shall be limited to a portion of the claim that is equal to the portion of the distributions to shareholders in liquidation or dissolution received by the shareholder.

Subd. 3. [CLAIMS PERMITTED.] All debts, obligations, and liabilities incurred during dissolution proceedings shall be paid or provided for by the corporation before the distribution of assets to a shareholder. A person to whom this kind of debt, obligation, or liability is owed but not paid may pursue any remedy against the officers, directors, and shareholders of the corporation before the expiration of the applicable statute of limitations. This subdivision does not apply to dissolution under the supervision or order of a court.

Sec. 46. [EFFECTIVE DATE.]

Notwithstanding Minnesota Statutes, section 645.21, section 18 is effective retroactive to January 1, 1984."

Delete the title and insert:

"A bill for an act relating to business corporations; regulating the organization and operation of business corporations; providing for indemnification; providing voting rights; providing for the value, issuance, pledging, and acquisition of shares; and providing for payment on the return of shares; amending Minnesota Statutes 1986, sections 300.08, subdivision 1; 300.083, subdivisions 1, 4, 8, and by adding a subdivision; 302A.011, subdivision 40; 302A.111, subdivisions 2 and 3; 302A.133; 302A.135, subdivision 4, and by adding a subdivision; 302A.137; 302A.139; 302A.141, by adding a subdivision; 302A.161, subdivision 22; 302A.201, subdivision 2; 302A.255, subdivision 1; 302A.401, subdivision 3; 302A.405, subdivisions 1 and 2; 302A.409, subdivision 3; 302A.413, subdivision 5; 302A.433, subdivision 3; 302A.435, subdivision 2; 302A.437, subdivision 2; 302A.447, subdivision 7; 302A.455; 302A.457, subdivisions 1 and 2; 302A.473, subdivisions 1, 5, 6, and 7; 302A.501, subdivision 1; 302A.521, subdivisions 1, 4, and 8, and by adding a subdivision; 302A.553, subdivision 1; 302A.727; 302A.729; 302A.733, subdivisions 1 and 2; and 302A.781; proposing coding for new law in Minnesota Statutes, chapter 302A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1459, A bill for an act relating to the town of Irondale; removing a town levy limitation; repealing Laws 1971, chapter 336.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1467, A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1986, section 169.725.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1561, A bill for an act relating to community dispute resolution programs; authorizing the state and municipalities to make grants to programs; proposing coding for new law in Minnesota Statutes, chapter 494.

Reported the same back with the following amendments:

Page 1, line 9, delete "Notwithstanding any other law"

Page 1, line 10, delete "to the contrary,"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1590, A bill for an act relating to education; clarifying the authority of school boards to appoint directors of area vocational technical institutes; amending Minnesota Statutes 1986, section 136C.05, subdivision 1.

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:

S. F. No. 25, A bill for an act relating to traffic regulations; requiring additional reflective devices for persons using alternate slow moving vehicle emblems; amending Minnesota Statutes 1986, section 169.522, subdivision 1.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 59, A bill for an act relating to highway traffic regulations; prescribing who shall prosecute persons who operate motorboats while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.12, subdivision 5.

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

The report was adopted.

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

S. F. No. 673, A bill for an act relating to human services; allowing the use of certain professional standards for chemical dependency professionals; amending Minnesota Statutes 1986, section 254A.16, by adding a subdivision.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

S. F. No. 698, A bill for an act relating to education; authorizing northeast metropolitan intermediate school district No. 916 to issue

certain bonds for the acquisition and betterment of a secondary vocational and special education facility.

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 88, 196, 226, 268, 307, 403, 663, 828, 844, 967, 1002, 1185, 1274, 1392, 1467, 1561 and 1590 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 341, 25, 59, 673 and 698 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Orenstein introduced:

H. F. No. 1622, A bill for an act relating to courts; providing court of appeals representation on the sentencing guidelines commission; clarifying the membership on judicial appeal panels; permitting retired judges to solemnize marriages; clarifying judicial representation on the judicial standards board; authorizing the supreme court to adopt court rules; restricting mileage reimbursement for law clerks; amending Minnesota Statutes 1986, sections 244.09, subdivision 2; 253B.19, subdivision 1; 480.051; 484.545, subdivision 3; 484.62; 490.15, subdivision 1; 517.04; and 525.06.

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

## CALENDAR

H. F. No. 999 was reported to the House and given its third reading.

Kelso moved that H. F. No. 999 be returned to General Orders. The motion prevailed.

### SPECIAL ORDERS

S. F. No. 793, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain arbitration mechanisms for all automobile manufacturers doing business and offering express warranties on their vehicles sold in Minnesota; amending Minnesota Statutes 1986, section 325F.665.

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 114 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Frerichs	Miller	Richter	Thiede
Forsythe	Haukoos	Poppenhagen	Schafer	
Frederick	Hugoson	Redalen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 85 was reported to the House.

O'Connor moved to amend H. F. No. 85, the first engrossment, as follows:

Page 6, line 25, delete "or lessor"

Page 6, line 30, restore the stricken language

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

The Speaker called Anderson, G., to the Chair.

Simoneau moved to amend H. F. No. 85, the first engrossment, as follows:

Page 12, line 8, delete "\$1,500" and insert "\$2,000"

The motion prevailed and the amendment was adopted.

Bishop moved to amend H. F. No. 85, the first engrossment, as amended, as follows:

Page 9, line 36, after "conducted." insert "If the arbitrator finds the claim was filed frivolously or in bad faith, the costs of arbitration not to exceed \$200, could be assessed to the claimant."

The motion prevailed and the amendment was adopted.

Richter and Poppenhagen moved to amend H. F. No. 85, the first engrossment, as amended, as follows:

Page 13, after line 15, insert:

"Sec. 10. [168. ] [SELLER EXPENSES FOR FAILURE TO DISCLOSE.]

A person who sells or trades a motor vehicle to a motor vehicle dealer and fails to disclose any defect in the motor vehicle that, upon sale of the vehicle by the motor vehicle dealer to another person, constitutes a breach of an express or implied warranty, is liable to the motor vehicle dealer for one-half of any expenses incurred by the motor vehicle dealer upon sale of the motor vehicle including one-half of all repair costs and costs of arbitration."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.



Simoneau moved to lay the Richter and Poppenhagen amendment on the table. Speaker pro tempore Anderson, G., ruled the motion out of order.

The question recurred on the Richter and Poppenhagen amendment and the roll was called. There were 37 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gutknecht	Marsh	Redalen	Sviggum
Bennett	Hartle	McDonald	Richter	Swenson
Blatz	Haukoos	McKasy	Rose	Thiede
Burger	Heap	McPherson	Schafer	Tompkins
Carlson, D.	Himle	Omann	Schreiber	Waltman
Dempsey	Hugoson	Ozment	Seaberg	
Frederick	Jennings	Pauly	Shaver	
Frerichs	Johnson, V.	Poppenhagen	Stanius	

Those who voted in the negative were:

Battaglia	Jaros	McEachern	Otis	Skoglund
Bauerly	Jefferson	McLaughlin	Pappas	Solberg
Beard	Jensen	Milbert	Pelowski	Sparby
Begich	Johnson, R.	Miller	Peterson	Steensma
Bertram	Kahn	Minne	Price	Tjornhom
Brown	Kalis	Munger	Quinn	Trimble
Carlson, L.	Kelly	Murphy	Reding	Tunheim
Carruthers	Kelso	Nelson, C.	Rest	Uphus
Clark	Kinkel	Nelson, K.	Rice	Valento
Clausnitzer	Kludt	O'Connor	Riveness	Vanasek
Cooper	Knickerbocker	Ogren	Rodosovich	Vellenga
DeBlicke	Knuth	Olsen, S.	Rukavina	Voss
Dille	Kostohryz	Olson, E.	Sarna	Wagenius
Dorn	Krueger	Olson, K.	Scheid	Welle
Greenfield	Larsen	Onnen	Schoenfeld	Wenzel
Gruenes	Lasley	Orenstein	Segal	Wynia
Jacobs	Long	Osthoff	Simoneau	

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

H. F. No. 85, A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

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

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Battaglia	Johnson, A.	McLaughlin	Pappas	Simoneau
Beard	Johnson, R.	Milbert	Pelowski	Skoglund
Begich	Kahn	Minne	Peterson	Solberg
Bishop	Kalis	Morrison	Price	Steensma
Carlson, L.	Kelly	Munger	Quinn	Swenson
Carruthers	Kinkel	Murphy	Reding	Trimble
Clark	Kludt	Nelson, C.	Rest	Vanasek
Cooper	Knuth	Nelson, D.	Rice	Vellenga
DeBlieck	Kostohryz	Nelson, K.	Riveness	Voss
Greenfield	Krueger	O'Connor	Rodosovich	Wagenius
Jacobs	Larsen	Ogren	Rukavina	Welle
Jaros	Lasley	Orenstein	Sarna	Wenzel
Jefferson	Long	Osthoff	Scheid	Winter
Jensen	McEachern	Otis	Segal	Spk. Norton

Those who voted in the negative were:

Anderson, G.	Dille	Johnson, V.	Onnen	Stanius
Anderson, R.	Dorn	Kelso	Ozment	Sviggum
Bauerly	Forsythe	Knickerbocker	Pauly	Thiede
Bennett	Frederick	Lieder	Poppenhagen	Tjornhom
Bertram	Frerichs	Marsh	Quist	Tompkins
Blatz	Gruenes	McDonald	Redalen	Tunheim
Boo	Gutknecht	McKasy	Richter	Uphus
Brown	Hartle	McPherson	Rose	Valento
Burger	Haukoos	Miller	Schafer	Waltman
Carlson, D.	Heap	Neuenschwander	Schoenfeld	
Clausnitzer	Himle	Olsen, S.	Schreiber	
Dauner	Hugoson	Olson, E.	Seaberg	
Dempsey	Jennings	Omann	Shaver	

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

The Speaker resumed the Chair.

H. F. No. 466 was reported to the House.

Sarna moved to amend H. F. No. 466, the first engrossment, as follows:

Page 1, line 18, strike "or fishing,"

Page 1, line 20, strike "without advertising"

Page 1, line 21, strike "other than price marking on the spectacles,"

The motion prevailed and the amendment was adopted.

H. F. No. 466, A bill for an act relating to commerce; clarifying unregulated sales of eyeglasses; amending Minnesota Statutes 1986, section 148.56, subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Forsythe            Kalis

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

H. F. No. 487 was reported to the House.

Peterson moved to amend H. F. No. 487, the first engrossment, as follows:

Page 2, line 6, reinstate "include individuals" and delete "include existing members"

Page 2, line 7, strike "without receiving compensation of more than \$150 per"

Page 2, line 13, delete the new language

Page 2, line 14, delete everything before the period and insert "provided that the referring party is a current member of the

campground or does not directly or indirectly receive compensation of more than \$150 per referral, does not make more than 15 referrals per year, and has entered into a referral agreement with a membership camping operator that prohibits the discussion of terms or prices of camping memberships. The practice of subcontracting referral services where referral fees are split or shared with another person is prohibited. Payment of a referral fee may not be conditioned upon any sale but must be made merely for providing the referral. The person paying the referral fee is bound by any representation the person receiving the fee makes"

The motion prevailed and the amendment was adopted.

H. F. No. 487, A bill for an act relating to commerce; regulating membership camping practices; prohibiting certain advertising practices; establishing escrow requirements; regulating subdivided land sales practices; prohibiting certain advertising practices; amending Minnesota Statutes 1986, sections 82A.02, subdivisions 2, 10, and 19; 82A.04, subdivision 2; 82A.09, by adding a subdivision; 82A.11, subdivision 3; and 82A.24, subdivisions 3 and 6; proposing coding for new law in Minnesota Statutes, chapters 82A and 83.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 949, A bill for an act relating to consumer protection; requiring registration for health, buying, and social referral clubs; providing bonding and alternative security requirements; regulating bond claims; amending Minnesota Statutes 1986, sections 325G.23, subdivisions 4, 8, and by adding a subdivision; and 325G.27.

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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Sviggum Thiede

The bill was passed and its title agreed to.

H. F. No. 945 was reported to the House.

Burger moved to amend H. F. No. 945, as follows:

Page 2, line 4 after "of" insert "producer."

The motion prevailed and the amendment was adopted.

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

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Miller	Quist	Sviggum	Waltman
Haukoos	Onnen	Richter	Thiede	

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

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.

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 116 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Haukoos	Miller	Redalen	Sviggunn
Frerichs	McPherson	Onnen	Schafer	Thiede

The bill was passed and its title agreed to.

The Speaker called Long to the Chair.

H. F. No. 242 was reported to the House.

Ogren moved to amend H. F. No. 242, the first engrossment, as follows:

Page 2, line 31, delete "once" and insert "three times"

The motion prevailed and the amendment was adopted.

#### CALL OF THE HOUSE

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

Anderson, R.	Bennett	Brown	Clark	Dempsey
Battaglia	Bertram	Burger	Clausnitzer	Dille
Bauerly	Bishop	Carlson, D.	Cooper	Dorn
Beard	Blatz	Carlson, L.	Dauner	Forsythe
Begich	Boo	Carruthers	DeBlick	Frederick

Frerichs	Kinkel	Nelson, C.	Redalen	Stanius
Greenfield	Kludt	Nelson, D.	Reding	Sviggum
Gruenes	Knickerbocker	Nelson, K.	Rest	Swenson
Gutknecht	Knuth	Neuenschwander	Rice	Thiede
Hartle	Kostohryz	O'Connor	Richter	Tjornhom
Haukoos	Krueger	Ogren	Riveness	Tompkins
Heap	Larsen	Olsen, S.	Rodosovich	Trimble
Himle	Lasley	Olson, E.	Rose	Tunheim
Hugoson	Lieder	Olson, K.	Rukavina	Uphus
Jacobs	Long	Omann	Sarna	Valento
Jaros	Marsh	Onnen	Schafer	Vellenga
Jefferson	McDonald	Orenstein	Scheid	Voss
Jennings	McEachern	Osthoff	Schoenfeld	Wagenius
Jensen	McKasy	Pappas	Schreiber	Waltman
Johnson, A.	McLaughlin	Pauly	Seaberg	Welle
Johnson, R.	McPherson	Pelowski	Segal	Wenzel
Johnson, V.	Milbert	Peterson	Shaver	Winter
Kahn	Miller	Poppenhagen	Simoneau	
Kalis	Minne	Price	Skoglund	
Kelly	Morrison	Quinn	Solberg	
Kelso	Murphy	Quist	Sparby	

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

McDonald moved to amend H. F. No. 242, the first engrossment, as amended, as follows:

Page 3, after line 5, insert:

“Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the effective date of federal law enacting substantially the same law as those sections.”

A roll call was requested and properly seconded.

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

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

There were 47 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Himle	Miller	Redalen
Bennett	Frederick	Hugoson	Morrison	Richter
Blatz	Frerichs	Johnson, V.	Olsen, S.	Rose
Boo	Gruenes	Knickerbocker	Onnen	Schafer
Burger	Gutknecht	Marsh	Ozment	Schreiber
Clausnitzer	Hartle	McDonald	Pauly	Seaberg
Dempsey	Haukoos	McKasy	Poppenhagen	Shaver
Dille	Heap	McPherson	Quist	Stanius



Sviggum Swenson	Tjornhom Tompkins	Uphus Valento	Waltman
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Those who voted in the negative were:

Battaglia	Jaros	Lieder	Orenstein	Simoneau
Bauerly	Jefferson	Long	Osthoff	Skoglund
Beard	Jensen	McEachern	Pappas	Solberg
Begich	Johnson, A.	McLaughlin	Pelowski	Sparby
Bertram	Johnson, R.	Milbert	Peterson	Trimble
Brown	Kahn	Minne	Price	Tunheim
Carlson, D.	Kalis	Munger	Quinn	Vanasek
Carlson, L.	Kelly	Murphy	Reding	Vellenga
Carruthers	Kelso	Nelson, C.	Rest	Voss
Clark	Kinkel	Nelson, K.	Riveness	Wagenius
Cooper	Kludt	Neuenschwander	Rodosovich	Welle
Dauner	Knuth	O'Connor	Rukavina	Wenzel
DeBlicek	Kostohryz	Ogren	Sarna	Winter
Dorn	Krueger	Olson, E.	Scheid	Spk. Norton
Greenfield	Larsen	Olson, K.	Schoenfeld	
Jacobs	Lasley	Omann	Segal	

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

H. F. No. 242, A bill for an act relating to commerce; modifying the maximum finance charge on certain open end credit sales; authorizing additional charges; amending Minnesota Statutes 1986, section 334.16, subdivision 1, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called.

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

There were 70 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jaros	McLaughlin	Osthoff	Simoneau
Bauerly	Jefferson	Milbert	Pappas	Skoglund
Beard	Jensen	Minne	Pelowski	Solberg
Begich	Johnson, A.	Munger	Peterson	Sparby
Brown	Johnson, R.	Murphy	Price	Steensma
Carlson, D.	Kahn	Nelson, C.	Quinn	Trimble
Carlson, L.	Kalis	Nelson, D.	Reding	Tunheim
Carruthers	Kelly	O'Connor	Rice	Uphus
Clark	Kinkel	Ogren	Riveness	Vanasek
Cooper	Knuth	Olsen, S.	Rukavina	Voss
Dauner	Kostohryz	Olson, E.	Sarna	Wenzel
DeBlicek	Larsen	Olson, K.	Scheid	Winter
Greenfield	Lasley	Omann	Schoenfeld	Wynia
Jacobs	McEachern	Orenstein	Segal	Spk. Norton

Those who voted in the negative were:

Anderson, G.	Frederick	Knickerbocker	Ozment	Sviggum
Anderson, R.	Frerichs	Krueger	Pauly	Swenson
Bennett	Gruenes	Lieder	Poppenhagen	Thiede
Bertram	Gutknecht	Long	Quist	Tjornhom
Bishop	Hartle	Marsh	Redalen	Tompkins
Blatz	Haukoos	McDonald	Rest	Valento
Boo	Heap	McKasy	Richter	Vellenga
Burger	Himle	McPherson	Rodosovich	Wagenius
Clausnitzer	Hugoson	Miller	Schafer	Waltman
Dempsey	Jennings	Morrison	Schreiber	Welle
Dille	Johnson, V.	Nelson, K.	Seaberg	
Dorn	Kelso	Neuenschwander	Shaver	
Forsythe	Kludt	Onnen	Stanisus	

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

The Speaker resumed the Chair.

Vanasek moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

### GENERAL ORDERS

Vanasek moved that the bills on General Orders for today be continued one day. The motion prevailed.

### MOTIONS AND RESOLUTIONS

Wenzel moved that his name be stricken as an author on H. F. No. 791. The motion prevailed.

Wenzel moved that his name be stricken as an author on H. F. No. 1089. The motion prevailed.

Vanasek moved that the names of Norton and Kostohryz be added as authors on H. F. No. 1607. The motion prevailed.

Clark moved that H. F. No. 1002, now on Technical General Orders, be re-referred to the Committee on Governmental Operations. The motion prevailed.

Johnson, V., moved that H. F. No. 739 be returned to its author. The motion prevailed.

Norton and Kelso introduced:

House Resolution No. 40, A House resolution proclaiming 1987 as the Year of the United Way.

The resolution was referred to the Committee on Rules and Legislative Administration.

Vellenga, Dorn, Pelowski, Solberg and Frederick introduced:

House Resolution No. 41, A House resolution congratulating the Macalester College Debate Team, Paul Benson and Mollie McGinnis, for winning the National Debate Tournament Championship.

The resolution was referred to the Committee on Rules and Legislative Administration.

#### ADJOURNMENT

Vanasek moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 27, 1987. The motion prevailed.

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 27, 1987.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

