

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1987

FORTY-SECOND DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 2, 1987

The House of Representatives convened at 10:00 a.m. and was called to order by Fred C. Norton, Speaker of the House.

Prayer was offered by Father John Rettger, Church of the Resurrection, Spring Lake Park, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Hartle, Knickerbocker, Ogren and Vellenga were excused.

Kahn was excused until 11:30 a.m.

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. 243, 1029, 1279, 236, 402, 533, 727, 756, 837, 940, 1115, 1129, 1148, 1165, 1619, 1622, 1420, 1496, 1068 and 1314 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Taxes to which was referred:

H. F. No. 508, A bill for an act relating to housing; providing for administration of the state's low-income housing credit; authorizing the Minnesota housing finance agency to participate in certain housing construction projects and in certain nonprofit corporations; authorizing the sale or rental of certain housing property; providing definitions; providing for the issuance of certain bonds and notes; amending Minnesota Statutes 1986, sections 462A.03, subdivision 14; 462A.05, subdivisions 14, 21, and by adding subdivisions; 462A.06, subdivisions 7 and 12; 462A.08, subdivisions 1 and 3; and 462A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 867, A bill for an act relating to local improvements; authorizing the levy of special assessments for highway sound barriers; amending Minnesota Statutes 1986, sections 429.011, by adding a subdivision; and 429.021, subdivision 1.

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. 1078, A bill for an act relating to natural resources; providing eligibility requirements for waterbank agreements; providing requirements for the director of the division of waters; requiring the director to maintain current wetland values; authorizing wetland authorities to establish, maintain, and develop wetlands; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owner's report; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design elevation is different than original construction elevation; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; renumbering sections; providing penalties; amending Minnesota Statutes 1986, sections 40.072, subdivisions 3 and 6; 105.392; 105.40; 106A.005, subdivisions 2, 3, 4, 9, 10, 11, 12, 13, 14, 19, and by adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.021, by adding subdivisions; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivision 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, 6, and by adding subdivisions; 106A.321, subdivision 1, and by adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2 and 6; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505, subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding a subdivision; 106A.705; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60, subdivision 1; and 112.65, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 105A; proposing coding for new law in Minnesota Statutes, chapter

106A; repealing Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; and 111.01 to 111.421.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 105.40, subdivision 11, is amended to read:

Subd. 11. [RULES TO STANDARDIZE FORMS.] The director is authorized to formulate may adopt permanent rules so as to standardize the forms and sizes of maps, plats, drawings and specifications in public drainage proceedings and proceedings and undertakings pertaining relating to public waters of the state. The director must require the permanent grass strips acquired under section 106A.021 to be shown on the maps and maintain an inventory of all permanent grass strips acquired by drainage authorities.

Sec. 2. Minnesota Statutes 1986, section 106A.005, subdivision 2, is amended to read:

Subd. 2. [AFFECTED.] "Affected" means benefited or damaged by a drainage system or project.

Sec. 3. Minnesota Statutes 1986, section 106A.005, subdivision 3, is amended to read:

Subd. 3. [AUDITOR.] "Auditor" means the auditor of the county where the petition for a drainage system project was properly filed.

Sec. 4. Minnesota Statutes 1986, section 106A.005, subdivision 4, is amended to read:

Subd. 4. [BOARD.] "Board" means the board of commissioners of the county where the drainage system or project is located.

Sec. 5. Minnesota Statutes 1986, section 106A.005, subdivision 9, is amended to read:

Subd. 9. [DRAINAGE AUTHORITY.] "Drainage authority" means the board or joint county drainage authority having jurisdiction over a drainage system or project.

Sec. 6. Minnesota Statutes 1986, section 106A.005, subdivision 10, is amended to read:

Subd. 10. [DRAINAGE LIEN.] "Drainage lien" means a ~~recorded~~ lien against recorded on property for the costs of drainage proceed-

ings and construction costs and interest on the lien, as provided under this chapter.

Sec. 7. Minnesota Statutes 1986, section 106A.005, is amended by adding a subdivision to read:

Subd. 10a. [DRAINAGE PROJECT.] "Drainage project" means a new drainage system, an improvement of a drainage system, an improvement of an outlet, or a lateral.

Sec. 8. Minnesota Statutes 1986, section 106A.005, subdivision 11, is amended to read:

Subd. 11. [DRAINAGE SYSTEM.] "Drainage system" means a ditch and tile system of ditch or tile, or both, to drain property, including laterals, improvements, and improvements of outlets, that is proposed to, established by, or and constructed by a drainage authority. "Drainage system" includes the improvement of a natural waterway used in the construction of a drainage system, and any part of a flood control plan proposed by the United States or its agencies in the drainage system.

Sec. 9. Minnesota Statutes 1986, section 106A.005, subdivision 12, is amended to read:

Subd. 12. [ENGINEER.] "Engineer" means the county highway engineer of a county where affected property is located or a professional engineer registered under state law for a drainage project appointed by the drainage authority under section 106A.241, subdivision 1.

Sec. 10. Minnesota Statutes 1986, section 106A.005, subdivision 13, is amended to read:

Subd. 13. [ESTABLISHED.] "Established" means the drainage authority has made the final order to construct the drainage system project.

Sec. 11. Minnesota Statutes 1986, section 106A.005, subdivision 14, is amended to read:

Subd. 14. [LATERAL.] "Lateral" means any drainage construction by branch or extension, or a system of branches and extensions, or a drain that connects or provides an outlet to property with an established drainage system.

Sec. 12. Minnesota Statutes 1986, section 106A.005, is amended by adding a subdivision to read:

Subd. 16a. [OWNER.] "Owner" means an owner of property or a buyer of property under a contract for deed.

Sec. 13. Minnesota Statutes 1986, section 106A.005, is amended by adding a subdivision to read:

Subd. 16b. [PASSES OVER.] "Passes over" means in reference to property that has a drainage project or system, the 40-acre tracts or government lots and property that is bordered by, touched by, or underneath the path of the proposed drainage project.

Sec. 14. Minnesota Statutes 1986, section 106A.005, subdivision 19, is amended to read:

Subd. 19. [PROCEEDING.] "Proceeding" means a procedure under this chapter for or related to drainage that begins with filing a petition and ends by dismissal or establishment of a drainage system project.

Sec. 15. Minnesota Statutes 1986, section 106A.011, subdivision 3, is amended to read:

Subd. 3. [PERMISSION OF COMMISSIONER FOR WORK IN PUBLIC WATERS; APPLICATION.] (a) The drainage authority must receive permission from the commissioner to:

- (1) remove, construct, or alter a dam affecting public waters;
- (2) establish, raise, or lower the level of public waters; or
- (3) drain any portion of a public water.

(b) The petitioners for a proposed drainage system project or the drainage authority may apply to the commissioner for permission to do work in public waters or for the determination of public waters status of a water body or watercourse.

Sec. 16. Minnesota Statutes 1986, section 106A.011, subdivision 4, is amended to read:

Subd. 4. [FLOOD CONTROL.] The drainage authority may construct necessary dams, structures, and improvements and maintain them to impound and release flood water to prevent damage. The dams, structures, and improvements may be constructed with or without a drainage system project. For a water body or watercourse that is not public waters the drainage authority may:

- (1) lower, or establish the height of water in the water body or watercourse to control flood waters;

(2) build structures and improvements to maintain a water body or watercourse for flood control or other public purposes; and

(3) construct dikes or dams in a water body to maintain water at the height designated by the drainage authority and to drain part of the water body.

Sec. 17. Minnesota Statutes 1986, section 106A.015, is amended to read:

106A.015 [CONSIDERATIONS BEFORE DRAINAGE WORK IS DONE.]

Subdivision 1. [ENVIRONMENTAL AND LAND USE CRITERIA.] Before establishing a drainage ~~system~~ project the drainage authority must consider:

(1) private and public benefits and costs of the proposed drainage ~~system~~ project;

(2) the present and anticipated agricultural land acreage availability and use in the drainage project or system;

(3) the present and anticipated land use within the drainage project or system;

(4) flooding characteristics of property in the drainage project or system and downstream for 5, 10, 25, and 50-year flood events;

(5) the waters to be drained and alternative measures to conserve, allocate, and ~~develop~~ use the waters including storage and retention of drainage waters;

(6) the effect on water quality of constructing the proposed drainage ~~system~~ project;

(7) fish and wildlife resources affected by the proposed drainage ~~system~~ project;

(8) shallow groundwater availability, distribution, and use in the drainage project or system; and

(9) the overall environmental impact of all the above criteria.

Subd. 2. [DETERMINING PUBLIC UTILITY, BENEFIT, OR WELFARE.] In any proceeding to establish a drainage ~~system~~ project, or in the construction of or other work affecting a public drainage system under any law, the drainage authority or other authority having jurisdiction of the proceeding must give proper consideration to conservation of soil, water, forests, wild animals,

and related natural resources, and to other public interests affected, together with other material matters as provided by law in determining whether the project will be of public utility, benefit, or welfare.

Sec. 18. Minnesota Statutes 1986, section 106A.021, is amended by adding a subdivision to read:

Subd. 4. [COMPLIANCE WORK BY DRAINAGE AUTHORITY.] If a property owner does not bring an area into compliance with this section as provided in the compliance notice, the inspection committee or drainage inspector must notify the drainage authority. If a property owner does not bring an area into compliance after being notified under section 106A.705, subdivision 1a, the drainage authority must issue an order to have the work performed to bring the property into compliance. After the work is completed, the drainage authority must send a statement of the expenses incurred to bring the property into compliance to the auditor of the county where the property is located and to the property owner.

Sec. 19. Minnesota Statutes 1986, section 106A.021, is amended by adding a subdivision to read:

Subd. 5. [COLLECTION OF COMPLIANCE EXPENSES.] (a) The amount of the expenses is a lien in favor of the drainage authority against the property where the expenses were incurred. The auditor must certify the expenses and enter the amount in the same manner as other drainage liens on the tax list for the following year. The amount must be collected in the same manner as real estate taxes for the property. The provisions of law relating to the collection of real estate taxes shall be used to enforce payment of amounts due under this section. The auditor must include a notice of collection of compliance expenses with the tax statement.

(b) The amounts collected under this subdivision must be deposited in the drainage system account.

Sec. 20. Minnesota Statutes 1986, section 106A.031, is amended to read:

106A.031 [CONNECTION WITH DRAINS IN ADJOINING STATES.]

Subdivision 1. [PROCEDURE.] If it is necessary to construct a drainage system project at or near the boundary between this state and another state or country and the work cannot be done in a proper manner without extending the drainage system project into the adjoining state or country, the drainage authority may join with the board or tribunal of the adjoining state or country having jurisdiction to plan and construct public drainage systems. The drainage authority in this state may enter into contracts or arrange-

ments with the board or tribunal of the adjoining state or country to construct the drainage system project. The proceeding and construction related to property in this state and, as applicable, the drainage authority in relation to the joint drainage work, are governed by this chapter.

Subd. 2. [PAYMENT OF COSTS.] The adjoining county or district in another state or country must pay its proper share of the necessary costs of the construction of any drainage work including damages. If the benefits to property in the adjoining state or country are not sufficient to pay all the costs of construction of the drainage system project in that state or country, including damages, the drainage authority may authorize or direct the affected counties to contribute sufficient funds to complete the construction of the drainage system project in the adjoining state or country, if the construction will be of sufficient benefit to the affected property in this state to warrant the contribution.

Sec. 21. [106A.043] [INFORMAL MEETINGS.]

A drainage authority may hold informal meetings in addition to the meetings and hearings required in this chapter to inform persons affected by the drainage system about the drainage proceedings and provide a forum for informal discussions.

Sec. 22. Minnesota Statutes 1986, section 106A.051, is amended to read:

106A.051 [DEFECTIVE PROCEEDINGS.]

(a) A party may not take advantage of an error in a drainage proceeding or an informality, error, or defect appearing in the record of the proceeding or construction, unless the party complaining is directly affected. The modification of the benefits or damages to any property, or the enjoining of collection of any assessment, does not affect any other property or the collection of any assessment on other property.

(b) If a drainage system project has been established and a contract awarded in good faith, without collusion, and at a reasonable price:

(1) a defect or lack of notice in awarding, making, or executing the contract does not affect the enforcement of an assessment; and

(2) if the contract is performed in good faith in whole or in part, a defect does not invalidate the contract.

Sec. 23. Minnesota Statutes 1986, section 106A.055, is amended to read:

106A.055 [REIMBURSEMENT OF COST OF FORMER SURVEYS WHEN USED LATER.]

If after a proceeding has begun a survey has been made and a proceeding to establish a drainage system project has been dismissed or the drainage system project has not been established, and all or a part of the former survey is used by the engineer for a drainage proceeding in the same area, the amount saved in the subsequent proceedings must be paid to the proper parties according to this section. If the parties who paid the expense of the former survey make a petition, the drainage authority shall:

(1) determine the amount of benefit that was derived by the subsequent proceedings from the former survey;

(2) order the amount of the benefit to be paid to the proper parties; and

(3) charge the amount paid as a cost of the subsequent drainage proceeding.

Sec. 24. Minnesota Statutes 1986, section 106A.081, subdivision 2, is amended to read:

Subd. 2. [OBSTRUCTION OR DAMAGE OF A DRAINAGE SYSTEM.] A person may not willfully obstruct or damage a drainage project or system.

Sec. 25. Minnesota Statutes 1986, section 106A.081, subdivision 3, is amended to read:

Subd. 3. [ALTERING ENGINEER'S MARKING OF STAKES.] A person may not willfully change the location or alter markings of stakes set by the engineer in a drainage project or system.

Sec. 26. Minnesota Statutes 1986, section 106A.091, subdivision 4, is amended to read:

Subd. 4. [APPEAL TRIAL.] (a) The issues in the appeal are entitled to a trial by a jury at ~~the next term of in~~ the district court ~~after the appeal is filed that is held within~~ of the county where the drainage proceeding was pending.

(b) If At the request of the appellant ~~requests it~~, the trial must be held at ~~the next term of the~~ district court of the county where the affected property is located. The court administrator of the district court where the appeal is first filed shall make, certify, and file with the court administrator of the district court of the county where the trial is transferred, a transcript of the papers and documents on file in the court administrator's office in the proceedings related to the

matters of the appeal. After the final determination of the appeal, the court administrator of the district court that tried the appeal shall certify and return the verdict to the district court of the county where the drainage proceedings were filed.

(c) The appeal shall take precedence over all other civil court matters. If there is more than one appeal to be tried in one county, the court may, on its own motion or the motion of an interested party, consolidate two or more appeals and try them together, but the rights of the appellants must be determined separately. If the appellant does not prevail, the cost of the trial must be paid by the appellant.

(d) The court administrator of the district court where the appeal is filed shall file a certified copy of the final determination of the appeal with the auditor of the affected counties.

Sec. 27. Minnesota Statutes 1986, section 106A.095, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF APPEAL.] A party may appeal an order made by the board that dismisses drainage proceedings or establishes or refuses to establish a drainage system project to the district court of the county where the drainage proceedings are pending. The appellant must serve notice of the appeal to the auditor within 30 days after the order is filed. After notice of the appeal is served, the appeal may be brought to trial by the appellant or the drainage authority after notifying the other party at least ten days before the trial date.

Sec. 28. Minnesota Statutes 1986, section 106A.095, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF BENEFITS AND DAMAGES AFTER COURT ORDER.] If the order establishing a drainage system project is appealed, the trial of appeals related to benefits or damages in the drainage proceeding must be stayed until the establishment appeal is determined. If the order establishing the drainage system project is affirmed, appeals related to benefits and damages must then be tried.

Sec. 29. Minnesota Statutes 1986, section 106A.095, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE IF APPEAL ORDER ESTABLISHES DRAINAGE SYSTEM PROJECT.] If an order refusing to establish a drainage system project is appealed, and the court, by order, establishes the drainage system project, the auditor shall give notice by publication of the filed order. The notice is sufficient if it refers to the drainage project or system by number or other descriptive designation, states the meaning of the order, and states the date the court

order was filed. A person may appeal the establishment order to the district court as provided in this section.

Sec. 30. [106A.097] [PAYMENT OF ATTORNEY FEES ON APPEAL.]

If the commissioner of natural resources is a party making an appeal under section 106A.091 or 106A.095 and the commissioner does not prevail on the issues appealed, the court may award attorney fees to the party prevailing on the appeal. If more than one issue is appealed and the commissioner prevails on some issues and does not prevail on others, the court shall determine the amount of the attorney fee to be awarded.

Sec. 31. Minnesota Statutes 1986, section 106A.101, subdivision 2, is amended to read:

Subd. 2. [RECORD REQUIREMENTS.] All maps, plats, profiles, plans, and specifications prepared and used in relation to a proceeding must:

- (1) be uniform;
- (2) have each sheet bound and marked to identify the proceeding by the drainage project and system number;
- (3) show the name of the person preparing the sheet;
- (4) show the date the sheet was prepared; and
- (5) conform to rules and standards prescribed by the director of the division of waters.

Sec. 32. Minnesota Statutes 1986, section 106A.101, subdivision 4, is amended to read:

Subd. 4. [ENGINEER'S DOCUMENTS.] All original plats, profiles, records, and field books made by the engineer during the proceedings or the construction of a drainage system project are public records and the property of the drainage authority. These public records must be filed with the auditor under the direction of the drainage authority when construction is completed or when the engineer stops acting for the drainage ~~system~~ project, whichever is earlier.

Sec. 33. [106A.202] [PETITIONS.]

Subdivision 1. [APPLICABILITY.] This section applies to a petition for a drainage project or a petition for repair.

Subd. 2. [SIGNATURES ON PETITION.] (a) A petition must be signed by a requisite number of owners of 40-acre tracts or government lots and property that the drainage project described in the petition passes over, or by the property owners of the required percentage of the property area determined by the total and percentage of area of 40-acre tracts or government lots that the proposed drainage project passes over, excluding areas in and holders of easements for utilities and roads. A petition may be signed by the commissioner of transportation or by a political subdivision if the property is in their jurisdiction and is passed over by the proposed drainage project.

(b) Each separate parcel of property counts as one signature but must be signed by all owners to count as a signature. The signature of each entity regardless of the number of parcels of property owned counts as one signature on the petition.

(c) Paragraph (a) does not apply to a petition for an improvement of an outlet.

Subd. 3. [WITHDRAWAL OF A PETITIONER.] After a petition has been filed, a petitioner may not withdraw from the petition except with the written consent of all other petitioners on the filed petition.

Subd. 4. [FILING PETITION AND BOND.] A petition for a drainage project and a bond must be filed with the auditor. If a drainage system is within two or more counties, the petition must be filed with the auditor of the county with the greatest area of property that the proposed drainage project passes over.

Subd. 5. [PETITIONERS' BOND.] One or more petitioners must file a bond with the petition for at least \$10,000 that is payable to the county where the petition is filed, or for a petition for a proposed joint county drainage system or a petition for a drainage project affecting a joint county drainage system. The bond must be payable to all of the counties named in the petition. The bond must have adequate surety and be approved by the county attorney. The bond must be conditioned to pay the costs incurred if the proceedings are dismissed or a contract is not awarded to construct the drainage system proposed in the petition.

Subd. 6. [EXPENSES NOT TO EXCEED BOND.] The costs incurred before the proposed drainage project is established may not exceed the amount of the petitioners' bond. A claim for expenses greater than the amount of the bond may not be paid unless an additional bond is filed. If the drainage authority determines that the cost of the proceeding will be greater than the petitioners' bond before the proposed drainage project is established, the drainage authority must require an additional bond to cover all costs to be filed within a prescribed time. The proceeding must be stopped until

the additional bond prescribed by the drainage authority is filed. If the additional bond is not filed within the time prescribed, the proceeding must be dismissed.

Sec. 34. [106A.212] [NEW DRAINAGE SYSTEM PROJECTS.]

Subdivision 1. [PROCEDURE.] To establish a new drainage system under this chapter, the petitioners and drainage authority must proceed according to this section and the provisions applicable to establishment of drainage projects.

Subd. 2. [SIGNATURES ON PETITION.] The petition for a new drainage system must be signed by a majority of the owners of the property that the proposed drainage system described in the petition passes over, or by the property owners of at least 60 percent of the area that the proposed new drainage system passes over.

Subd. 3. [PETITION REQUIREMENTS.] The petition must:

(1) describe the 40-acre tracts or government lots and property where the proposed new drainage system passes over, including names and addresses of the property owners from the county assessor's office;

(2) describe the starting point, the general course, and the terminus of the proposed drainage system;

(3) state why the proposed drainage system is necessary;

(4) state that the proposed drainage system will benefit and be useful to the public and will promote public health; and

(5) state that the petitioners will pay all costs of the proceedings if the proceedings are dismissed or the contract for the construction of the proposed drainage system is not awarded.

Sec. 35. Minnesota Statutes 1986, section 106A.215, subdivision 4, is amended to read:

Subd. 4. [PETITION.] (a) ~~To start an improvement proceeding,~~ A petition must be signed by:

(1) at least 26 percent of the ~~resident~~ owners of the property affected by the proposed improvement;

(2) at least 26 percent of the ~~resident~~ owners of property that the proposed improvement passes over;

(3) the owners of at least 26 percent of the property area affected by the proposed improvement; or

(4) the owners of at least 26 percent of the property area that the proposed improvement passes over.

(b) The petition must be filed with the auditor or, for a drainage system in more than one county, with the auditor of the county having the largest area of property the improvement is located on.

(c) ~~The provisions of section 106A.201, subdivision 3, regarding signatures of public officials apply to this subdivision.~~

~~(d)~~ The petition must:

(1) designate the drainage system proposed to be improved by number or another description that identifies the drainage system;

(2) state that the drainage system has insufficient capacity or needs enlarging or extending to furnish sufficient capacity or a better outlet;

(3) describe the starting point, general course, and terminus of any extension;

(4) describe the improvement, including the names and addresses of owners of the 40-acre tracts or government lots and property that the improvement passes over;

(5) state that the proposed improvement will be of public utility and promote the public health; and

~~(5)~~ (6) contain an agreement by the petitioners that they will pay all costs and expenses that may be incurred if the improvement proceedings are dismissed.

Sec. 36. Minnesota Statutes 1986, section 106A.215, subdivision 5, is amended to read:

Subd. 5. [SUBSEQUENT PROCEEDINGS.] When a petition and the bond required by section 106A.205 are filed, the auditor shall present the petition to the board at its next meeting or, for a joint county drainage system, to the joint county drainage authority within ten days after the petition is filed. The drainage authority shall appoint an engineer to examine the drainage system and make an improvement report. The improvement proceedings must proceed under this chapter as provided for the original proceedings for the establishment of a drainage system project. The benefits and damages determined must be as a result of the proposed improvement. Assessments for the repair of the improvement must be based on the benefits determined for the improvement.

Sec. 37. Minnesota Statutes 1986, section 106A.221, is amended to read:

106A.221 [IMPROVEMENT OF OUTLETS.]

Subdivision 1. [CONDITIONS FOR IMPROVEMENT OF OUTLETS.] If a public or private, proposed drainage project or existing drainage system has waters draining into an existing drainage system, watercourse, or body of water, and the construction or proposed construction of the drainage system project causes an overflow of the existing drainage system, watercourse, or body of water on adjoining property, an affected county or the owners of the overflowed property may start outlet improvement proceedings under this section.

Subd. 2. [PETITION.] (a) A petition must be signed by the board of an affected county, by at least 26 percent of the ~~resident~~ owners of adjoining overflowed property, or by the owners of at least 26 percent of the area of the overflowed property. The petition must:

(1) describe the property that has been or is likely to be overflowed including the names and addresses of the property owners from the county assessor's office;

(2) state in general terms by number or otherwise the drainage systems that have caused or are likely to cause the overflow;

(3) describe the location of the overflowed drainage system, watercourse, or body of water and the outlet;

(4) show the necessity of the improvement by enlarging the system or controlling the waters by off-take ditches, additional outlets, or otherwise;

(5) show that the outlet improvement will protect the adjoining property from overflow;

(6) state that the improvement will be of public benefit and utility and improve the public health; and

(7) state that the petitioners will pay all costs incurred if the proceedings are dismissed or a contract for the construction outlet improvement is not awarded.

(b) The petitioners, except for a petition made by the board, shall give the required bond ~~required by section 106A.205~~.

Subd. 3. [FILING OF PETITION.] The petition shall be filed with the county auditor. If the board makes the petition, it must be addressed to the drainage authority and filed with the auditor. If

part of the improvement or the overflowed property is located in more than one county, the petition must be filed with the auditor of the county with the greatest affected area.

Subd. 4. [JURISDICTION OF BOARD AND DISTRICT COURT DRAINAGE AUTHORITY.] After the petition is filed, the board or joint county drainage authority where the petition is filed, has jurisdiction of the petition, the improvement, the affected property, and all proceedings for the establishment and construction of the outlet improvement and the assessment of property benefited by the outlet improvement, as provided for establishment and construction of a drainage system project under this chapter.

Subd. 5. [PRELIMINARY SURVEY REPORT REQUIREMENTS.] In the preliminary survey report, the engineer shall show the existing or proposed drainage projects or systems that cause the overflow, the property drained or to be drained by the drainage system project, and the names of affected property owners.

Subd. 6. [BENEFITED PROPERTY TO BE DETERMINED BY VIEWERS.] If, after the preliminary survey report hearing, a detailed survey is ordered and viewers appointed, the viewers shall determine and report the benefits to all property from the outlet improvement including property drained or to be drained by the existing or drainage system and proposed drainage system project.

Sec. 38. Minnesota Statutes 1986, section 106A.225, is amended to read:

106A.225 [LATERALS.]

Subdivision 1. [PETITION.] (a) Persons that own property in the vicinity of an existing drainage system may petition for a lateral that connects their property with the drainage system. The petition must be signed by at least 26 percent of the resident owners of the property or by the owners of at least 26 percent of the area of the property ~~traversed by that the lateral passes over.~~ The petition must be filed with the auditor, or for property in more than one county, the petition must be filed with the auditor of the county with the largest property area ~~traversed by~~ passed over by the lateral. The petition must:

(1) describe in general terms the starting point, general course, and terminus of the proposed lateral;

(2) describe the property traversed by the lateral including the names and addresses of the property owners from the county assessor's office;

(3) state the necessity to construct the lateral;

(4) state that, if constructed, the lateral will be of public benefit and utility and promote the public health;

(5) request that the lateral be constructed and connected with the drainage system; and

(6) provide that the petitioners will pay all costs incurred if the proceedings are dismissed or if a contract for the construction of the lateral is not awarded.

(b) The petitioners shall give the bond required by section 106A.205.

Subd. 2. [ESTABLISHMENT PROCEDURE.] After the petition is filed, the procedure to establish and construct the lateral is the same as that provided in this chapter to establish a new drainage system project.

Subd. 3. [AUTHORITY NECESSARY FOR PROPERTY NOT ASSESSED.] A lateral may not be constructed to drain property that is not assessed benefits for the existing public drainage system until express authority for the use of the existing drainage system as an outlet for the lateral has been obtained under section 106A.401.

Sec. 39. Minnesota Statutes 1986, section 106A.231, is amended to read:

106A.231 [DISMISSAL OR DELAY OF PROCEEDINGS BY PETITIONERS.]

Subdivision 1. [DISMISSAL.] (a) A proceeding under this chapter may be dismissed by a majority of the petitioners if they own at least 60 percent of the area owned by all of the petitioners as described in the petition.

(b) The proceeding may be dismissed at any time before the proposed drainage system project is established after payment of the cost of the proceeding. If the costs cannot be collected, each and all petitioners are liable for unpaid assessments. The drainage authority shall determine and assess the cost of the proceeding against the persons liable. After the proceeding is dismissed any other action on the proposed drainage system project must begin with a new petition.

Subd. 2. [DELAY.] The drainage authority may delay drainage proceedings and drainage project construction under this chapter if a majority of the petitioners petition for a delay and the drainage authority holds a hearing on the petition. The delay may be for a period determined by the drainage authority. The drainage authority shall determine the cost of the proceedings up to the time the

proceedings are delayed and when the costs are to be paid. The costs may include interest on the costs due.

Sec. 40. Minnesota Statutes 1986, section 106A.235, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] A petition for a proposed drainage system project in two or more counties must be designated as a joint county drainage system with a number assigned by the auditor of the county with the largest area of property in the drainage system project.

Sec. 41. Minnesota Statutes 1986, section 106A.235, subdivision 2, is amended to read:

Subd. 2. [JOINT COUNTY DRAINAGE AUTHORITY.] The board where a petition for a proposed joint county drainage system project is filed shall notify the board of each county where property is affected by the drainage system and request the boards to meet jointly and consider the petition. The boards shall select five of their members at the meeting to be the drainage authority. At least one member must be from each board. The drainage authority shall be known as the joint county drainage authority with a joint county drainage project or system number. A vacancy in the membership of the joint county drainage authority must be filled by joint action of the boards.

Sec. 42. [106A.238] [COUNTY ATTORNEY REVIEW OF PETITION AND BOND.]

The county attorney must review each petition and bond filed with the county to determine if it meets the requirement of the proceedings for which it is intended. The county attorney must review the petition and bond within 30 days after it is filed. The county attorney must:

(1) refer the petition and bond back to the petitioners if it does not meet the requirements, with the county attorney's opinion describing the deficiencies of the petition; or

(2) refer the petition to the drainage authority.

Sec. 43. Minnesota Statutes 1986, section 106A.241, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] Within 30 days after filing the receiving a petition and bond from the county attorney, the drainage authority shall, by order, appoint an engineer to make a preliminary survey within a prescribed time. The engineer must be the county highway engineer of a county where the affected property is located

or a professional engineer registered under state law. The engineer is the engineer for the drainage system project throughout the proceeding and construction unless otherwise ordered. Each appointed engineer must file an oath and bond. The engineer may be removed by the drainage authority at any time. If the engineer position is vacant, the drainage authority shall appoint another engineer as soon as possible.

Sec. 44. Minnesota Statutes 1986, section 106A.241, subdivision 2, is amended to read:

Subd. 2. [OATH; BOND.] An appointed engineer must subscribe to an oath to faithfully perform the assigned duties in the best manner possible and file a bond with the auditor. Within ten days after being appointed, the drainage authority shall set an amount of at least \$5,000 for the bond. The bond must have adequate surety and be payable to the county where the petition is filed, or for a proposed joint county drainage system project to all counties in the petition. The bond must be conditioned to pay any person or the drainage authority for damages and injuries resulting from negligence of the engineer while the engineer is acting in the proceedings or construction, and provide that the engineer will diligently and honestly perform the engineer's duties. The bond is subject to approval by the auditor. The aggregate liability of the surety for all damages may not exceed the amount of the bond.

Sec. 45. Minnesota Statutes 1986, section 106A.241, subdivision 5, is amended to read:

Subd. 5. [CONSULTING ENGINEER.] After the engineer is appointed and before construction of the drainage system project is finished, the drainage authority may employ an engineer as a consulting engineer for the proceeding and construction. A consulting engineer shall advise the engineer and drainage authority on engineering matters and problems that may arise related to the proceeding and construction of the drainage system project. The drainage authority shall determine the compensation for the consulting engineer.

Sec. 46. Minnesota Statutes 1986, section 106A.245, is amended to read:

106A.245 [PRELIMINARY SURVEY AND PRELIMINARY SURVEY REPORT.]

Subdivision 1. [SURVEY.] The engineer shall proceed promptly to:

(1) examine the petition and order;

(2) make a preliminary survey of the area likely to be affected by the proposed drainage ~~system~~ project to enable the engineer to determine whether the proposed drainage ~~system~~ project is necessary and feasible with reference to the environmental and land use criteria in section 106A.015, subdivision 1;

(3) examine and gather information related to determining whether the proposed drainage ~~system~~ project substantially affects areas that are public waters; and

(4) if the proposed drainage ~~system~~ project requires construction of an open channel, examine the nature and capacity of the outlet and any necessary extension.

Subd. 2. [LIMITATION OF SURVEY.] The engineer shall restrict the preliminary survey to the drainage area described in the petition, except that to secure an outlet the engineer may run levels necessary to determine the distance for the proper fall. The preliminary survey must consider the impact of the proposed drainage ~~system~~ project on the environmental and land use criteria in section 106A.015, subdivision 1. The drainage authority may have other areas surveyed after:

(1) giving notice by mail of a hearing to survey additional areas, to be held at least ten days after the notice is mailed, to the petitioners and persons liable on the petitioners' bond;

(2) holding the hearing;

(3) obtaining consent of the persons liable on the petitioners' bond; and

(4) ordering the additional area surveyed by the engineer.

Subd. 3. [ADOPTION OF FEDERAL PROJECT.] The engineer may approve and include as a part of the report, a project of the United States relating to drainage or flood control that is within the proposed drainage ~~system~~ project area, and may accept data, plats, plans, or information relating to the project furnished by United States engineers. The engineer does not need to make the preliminary survey if the material furnished by the United States is sufficient for the engineer to make the preliminary survey report.

Subd. 4. [PRELIMINARY SURVEY REPORT.] The engineer shall report the proposed drainage ~~system~~ project plan or recommend a different practical plan. The report must give sufficient information, in detail, to inform the drainage authority on issues related to feasibility, and show changes necessary to make the proposed plan practicable and feasible including extensions, laterals, and other work. If the engineer finds the proposed drainage ~~system~~ project in

the petition is feasible and complies with the environmental and land use criteria in section 106A.015, subdivision 1, the engineer shall include in the preliminary survey report a preliminary plan of the proposed system drainage project showing the proposed ditches, tile, laterals, and other improvements, the outlet of the system project, the watershed of the drainage project or system, and the property likely to be affected and its known owners. The plan must show:

(1) the elevation of the outlet and the controlling elevations of the property likely to be affected referenced to standard sea level datum, if practical;

(2) the probable size and character of the ditches and laterals necessary to make the plan practicable and feasible;

(3) the character of the outlet and whether it is sufficient;

(4) the probable cost of the drains and improvements shown on the plan;

(5) all other information and data necessary to disclose the practicability, necessity, and feasibility of the proposed drainage system project;

(6) consideration of the drainage project under the environmental and land use criteria in section 106A.015, subdivision 1, of the proposed drainage system; and

(7) other information as ordered by the drainage authority.

Sec. 47. Minnesota Statutes 1986, section 106A.251, is amended to read:

106A.251 [FILING PRELIMINARY SURVEY REPORT.]

The engineer shall file the completed preliminary survey report in duplicate with the auditor. The auditor shall send one copy of the report to the director. If the proposed drainage system project involves a joint county drainage project or system, a copy of the report must be filed with the auditor of each affected county.

Sec. 48. Minnesota Statutes 1986, section 106A.261, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] When the preliminary survey report is filed, the auditor shall promptly notify the drainage authority. The drainage authority in consultation with the auditor shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the preliminary survey report. At least ten days before

the hearing, the drainage authority after consulting with the auditor shall give notice by mail of the time and location of the hearing to the petitioners, owners of property, and political subdivisions likely to be affected by the proposed drainage system project in the preliminary survey report.

Sec. 49. Minnesota Statutes 1986, section 106A.261, subdivision 3, is amended to read:

Subd. 3. [SUFFICIENCY OF PETITION.] (a) The drainage authority shall first examine the petition and determine if it meets the legal requirements.

(b) If the petition does not meet the legal requirements of this chapter, the hearing shall be adjourned ~~and~~ until a specified date by which the petitioners must resubmit the petition. The petition must be referred back to the petitioners. ~~The petitioners who,~~ by unanimous action, may amend the petition. The petitioners may obtain signatures of additional property owners as added petitioners.

(c) When the hearing is reconvened, if at the adjourned hearing the petition is not resubmitted or does not meet the legal requirements, the proceedings must be dismissed.

Sec. 50. Minnesota Statutes 1986, section 106A.261, subdivision 4, is amended to read:

Subd. 4. [DISMISSAL.] (a) The drainage authority shall dismiss the proceedings if it determines that:

(1) the proposed drainage system project is not feasible;

(2) the adverse environmental impact is greater than the public benefit and utility after considering the environmental and land use criteria in section 106A.015, subdivision 1, and the engineer has not reported a plan to make the proposed drainage system project feasible and acceptable;

(3) the proposed drainage system project is not of public benefit or utility; or

(4) the outlet is not adequate.

(b) If the proceedings are dismissed, any other action on the proposed drainage system project must begin with a new petition.

Sec. 51. Minnesota Statutes 1986, section 106A.261, subdivision 5, is amended to read:

Subd. 5. [FINDINGS AND ORDER.] (a) The drainage authority shall state, by order, its findings and any changes that must be made in the proposed drainage ~~system~~ project from those outlined in the petition, including changes necessary to minimize or mitigate adverse impact on the environment, if it determines that:

(1) the proposed drainage ~~system~~ project outlined in the petition, or modified and recommended by the engineer, is feasible;

(2) there is necessity for the proposed drainage ~~system~~ project;

(3) the proposed drainage ~~system~~ project will be of public benefit and promote the public health, after considering the environmental and land use criteria in section 106A.015, subdivision 1; and

(4) the outlet is adequate.

(b) Changes may be stated by describing them in general terms or filing a map that outlines the changes in the proposed drainage ~~system~~ project with the order. The order and accompanying documents must be filed with the auditor.

Sec. 52. Minnesota Statutes 1986, section 106A.261, subdivision 6, is amended to read:

Subd. 6. [OUTLET IS EXISTING DRAINAGE SYSTEM.] If the outlet is an existing drainage system, the drainage authority may determine that the outlet is adequate and obtain permission to use the existing drainage system as an outlet. The drainage authority shall assign a number to the proposed drainage ~~system~~ project and proceed under section 106A.401 to act in behalf of the proposed drainage ~~system~~ project.

Sec. 53. Minnesota Statutes 1986, section 106A.261, subdivision 7, is amended to read:

Subd. 7. [EFFECT OF FINDINGS.] (a) For all further proceedings, the order modifies the petition and the order must be considered with the petition.

(b) The findings and order of the drainage authority at the preliminary hearing are conclusive only for the signatures and legal requirements of the petition, the nature and extent of the proposed plan, and the need for a detailed survey, and only for the persons or parties shown by the preliminary survey report as likely to be affected by the proposed drainage ~~system~~ project. All questions related to the practicability and necessity of the proposed drainage ~~system~~ project are subject to additional investigation and consideration at the final hearing.

Sec. 54. Minnesota Statutes 1986, section 106A.265, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] When the preliminary hearing order is filed with the auditor, the drainage authority shall order the engineer to make a detailed survey with plans and specifications for the proposed drainage ~~system~~ project and submit a detailed survey report to the drainage authority as soon as possible.

Sec. 55. Minnesota Statutes 1986, section 106A.271, subdivision 1, is amended to read:

Subdivision 1. [SURVEY AND EXAMINATION.] When an order for a detailed survey is filed, the engineer shall proceed to survey the lines of the proposed drainage ~~system~~ project in the preliminary hearing order, and survey and examine affected property.

Sec. 56. Minnesota Statutes 1986, section 106A.275, is amended to read:

106A.275 [ENGINEER'S VARIANCE FROM DRAINAGE AUTHORITY ORDER.]

(a) In planning a proposed drainage ~~system~~ project, the engineer may vary from the starting point and the line and plan described by the preliminary hearing order if necessary to drain the property likely to be assessed in the proposed drainage ~~system~~ project.

(b) The engineer may:

(1) survey and recommend the location of additional necessary ditches and tile;

(2) where better results will be accomplished and more desirable outlets secured, provide for the extension of the outlet; and

(3) provide for different parts of the drainage to flow in different directions with more than one outlet.

(c) The open ditches do not have to connect if they drain the area to be affected in the petition. The variance must be reported with similar information in the detailed survey report.

Sec. 57. Minnesota Statutes 1986, section 106A.281, is amended to read:

106A.281 [SOIL SURVEY.]

The engineer shall make a soil survey if: (1) the drainage authority orders a soil survey; (2) the commissioner requests a soil

survey; or (3) the engineer determines a soil survey is necessary. The soil survey must show the nature and character of the soil in the proposed drainage project area and include the engineer's findings from the soil survey. The report on the soil survey must be included in the detailed survey report or reported and filed separately before the final hearing.

Sec. 58. Minnesota Statutes 1986, section 106A.285, subdivision 2, is amended to read:

Subd. 2. [MAP.] A complete map of the proposed drainage project and drainage system must be drawn to scale, showing:

(1) the terminus and course of each drain and whether it is ditch or tile, and the location of other proposed drainage works;

(2) the location and situation of the outlet;

(3) the watershed of the proposed drainage system project and the subwatershed of main branches, if any, with the location of existing highway bridges and culverts;

(4) all property affected, with the names of the known owners;

(5) public roads and railways affected;

(6) the outline of any lake basin, wetland, or public water body affected;

(7) other physical characteristics of the watershed necessary to understand the proposed drainage project and the affected drainage system; and

(8) the area to be acquired to maintain a grass strip under section 106A.021.

Sec. 59. Minnesota Statutes 1986, section 106A.285, subdivision 4, is amended to read:

Subd. 4. [BRIDGE AND CULVERT PLANS.] Plans for private bridges and culverts to be constructed by and as a part of the proposed drainage system project and plans for other works to be constructed for the proposed drainage system project must be presented. A list must be made that shows the required minimum hydraulic capacity of bridges and culverts at railways and highways that cross ditches, and at other prospective ditch crossings where bridges and culverts are not specified to be constructed as part of the proposed drainage system project. Plans and estimates of the cost of highway bridges and culverts must be prepared for the viewers to determine benefits and damages.

Sec. 60. Minnesota Statutes 1986, section 106A.285, subdivision 5, is amended to read:

Subd. 5. [TABULAR STATEMENT OF EXCAVATION, CONSTRUCTION, AND COST.] A tabular statement must be prepared showing:

(1) the number of cubic yards of excavation, linear feet of tile, and average depth on each tile line;

(2) the bridges, culverts, and works to be constructed under the plans for the system drainage project; and

(3) the estimated unit cost of each item, a summary of the total cost, and an estimate of the total cost of completing the proposed drainage system project that includes supervision and other costs.

Sec. 61. Minnesota Statutes 1986, section 106A.285, subdivision 6, is amended to read:

Subd. 6. [RIGHT-OF-WAY ACREAGE.] The acreage must be shown that will be taken for ditch right-of-way on each government lot, 40 acre tract, or fraction of a lot or tract under separate ownership. The ditch right-of-way must include the area to be taken to maintain a grass strip under section 106A.021.

Sec. 62. Minnesota Statutes 1986, section 106A.285, subdivision 9, is amended to read:

Subd. 9. [RECOMMENDATION FOR DIVISION OF WORK.] If construction of the proposed drainage system project would be more economical, the engineer may recommend: (1) that the work be divided into sections and contracted separately; (2) that the ditch and tile work or tile and labor on the system project be contracted separately, or (3) the time and manner for the work to be completed.

Sec. 63. Minnesota Statutes 1986, section 106A.285, subdivision 10, is amended to read:

Subd. 10. [OTHER INFORMATION ON PRACTICABILITY AND NECESSITY OF DRAINAGE SYSTEM PROJECT.] Other data and information to inform the drainage authority of the practicability and necessity of the proposed drainage system project must be made available including a comprehensive examination and the recommendation by the engineer regarding the environmental and land use criteria in section 106A.015, subdivision 1.

Sec. 64. Minnesota Statutes 1986, section 106A.295, is amended to read:

106A.295 [REVISION OF ENGINEER'S DETAILED SURVEY REPORT AFTER ACCEPTANCE.]

After the final acceptance of the proposed drainage system project, the engineer shall revise the plan, profiles, and designs of structures to show the drainage project as actually constructed on the original tracings. The engineer shall file the revised detailed survey report with the auditor. The auditor shall forward the original or a copy to the director as a permanent record.

Sec. 65. Minnesota Statutes 1986, section 106A.301, is amended to read:

106A.301 [COMMISSIONER'S FINAL ADVISORY REPORT.]

(a) The commissioner shall examine the detailed survey report and within 30 days of receipt make a final advisory report to the drainage authority. The final advisory report must state whether the commissioner:

(1) finds the detailed survey report is incomplete and not in accordance with the provisions of this chapter, specifying the incomplete or nonconforming provisions;

(2) approves the detailed survey report as an acceptable plan to drain the property affected;

(3) does not approve the plan and recommendations for changes;

(4) finds the proposed drainage system project is not of public benefit or utility under the environmental and land use criteria in section 106A.015, subdivision 1, specifying the facts and evidence supporting the findings; or

(5) finds a soil survey is needed, and, if it is, makes a request to the engineer to make a soil survey.

(b) The commissioner shall direct the final advisory report to the drainage authority and file it with the auditor.

Sec. 66. Minnesota Statutes 1986, section 106A.305, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] When the order for a detailed survey is made, the drainage authority shall, by order, appoint viewers consisting of three disinterested resident property owners of the counties affected by the proposed drainage system residents of the state qualified to assess benefits and damages. The drainage authority may establish qualifications for viewers.

Sec. 67. Minnesota Statutes 1986, section 106A.311, is amended to read:

106A.311 [VIEWERS' DUTIES.]

The viewers, with or without the engineer, shall determine the benefits and damages to all property affected by the proposed drainage system project and make a viewers' report.

Sec. 68. Minnesota Statutes 1986, section 106A.315, subdivision 1, is amended to read:

Subdivision 1. [STATE LAND.] Property owned by the state must have benefits and damages reported in the same manner as taxable lands subject to the provisions relating to conservation areas in section 106A.015, subdivision 2 106A.025.

Sec. 69. Minnesota Statutes 1986, section 106A.315, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENT PROPERTY.] The viewers shall report the benefits and damages to the state, counties, and municipalities to the proposed drainage system project. The property within the jurisdiction of a municipality, whether owned by the municipality or by private parties, may be assessed as benefits and damages to the municipality.

Sec. 70. Minnesota Statutes 1986, section 106A.315, subdivision 5, is amended to read:

Subd. 5. [EXTENT AND BASIS OF BENEFITS.] (a) The viewers shall determine the amount of benefits to all property benefited within the watershed, whether the property is benefited immediately by the construction of the proposed drainage system project or the proposed drainage system project can become an outlet for drainage, makes an outlet more accessible, or otherwise directly benefits the property. The benefits may be based on:

(1) an increase in the current market value of property as a result of constructing the project;

(2) an increase in the potential for agricultural production as a result of constructing the project; or

(3) an increased value as a result of a potential different land use.

(b) Benefits and damages may only be assessed against the property benefited or damaged or an easement interest in property for the exclusive use of the surface of the property.

Sec. 71. Minnesota Statutes 1986, section 106A.315, subdivision 6, is amended to read:

Subd. 6. [BENEFITS FOR PROPOSED DRAINAGE SYSTEM PROJECT AS OUTLET.] (a) If the proposed drainage system project furnishes an outlet to an existing drainage system and benefits the property drained by the existing system, the viewers shall equitably determine and assess:

(1) the benefits of the proposed drainage system project to each tract or lot drained by the existing drainage system;

(2) a single amount as an outlet benefit to the existing drainage system; or

(3) benefits on a watershed acre basis.

(b) Assessments that conform with the provisions in this subdivision are valid. If a single sum is assessed as an outlet benefit, the lien for the assessment must be prorated on all property benefited by the existing drainage system in proportion to the benefits determined in for the existing drainage system proceeding.

(c) Within the watershed that drains to the area where a project is located, the viewers may assess outlet benefits on:

(1) property that is responsible for increased siltation in downstream areas of the watershed; and

(2) property that is responsible for increased drainage system maintenance or increased drainage system capacity because the natural drainage on the property has been altered or modified to accelerate the drainage of water from the property.

Sec. 72. Minnesota Statutes 1986, section 106A.315, is amended by adding a subdivision to read:

Subd. 7. [BENEFITS FOR PROJECT THAT INCREASES DRAINAGE CAPACITY.] If part of a drainage project increases drainage capacity and the increased capacity is necessary due to increased drainage in the project watershed rather than increased drainage in a specific area, the viewers may assess benefits on property in the project watershed on a pro rata basis.

Sec. 73. Minnesota Statutes 1986, section 106A.315, is amended by adding a subdivision to read:

Subd. 8. [EXTENT OF DAMAGES.] Damages to be paid may include:

(1) the fair market value of the property required for the channel of an open ditch and the permanent grass strip under section 106A.021;

(2) the diminished value of a farm due to severing a field by an open ditch;

(3) loss of crop production during drainage project construction; and

(4) the diminished productivity or land value from increased overflow.

Sec. 74. Minnesota Statutes 1986, section 106A.321, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] The viewers' report must show, in tabular form, for each lot, 40 acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged:

(1) a description of the lot or tract, under separate ownership, that is benefited or damaged;

(2) the names of the owners as they appear on the current tax records of the county and their addresses;

(3) the number of acres in each tract or lot;

(4) the number and value of acres added to a tract or lot by the proposed drainage of meandered lakes public waters;

(5) the damage, if any, to riparian rights; and

(6) the damages paid for the permanent grass strip under section 106A.021;

(7) the total number and value of acres added to a tract or lot by the proposed drainage of public waters, wetlands, and other areas not currently being cultivated;

(8) the number of acres and amount of benefits being assessed for drainage of areas which before the drainage benefits could be realized would require a permit to work in public waters under section 105.42, to excavate or fill a navigable water body under United States Code, title 33, section 403, or a permit to discharge into waters of the United States under United States Code, title 33, section 1344;

(9) the number of acres and amount of benefits being assessed for drainage of areas that would be considered conversion of a wetland

under United States Code, title 16, section 3821, if the area was placed in agricultural production;

(10) the amount of right-of-way acreage required; and

(11) the amount that each tract or lot will be benefited or damaged.

Sec. 75. Minnesota Statutes 1986, section 106A.321, is amended by adding a subdivision to read:

Subd. 1a. [BENEFITS AND DAMAGES STATEMENT.] (a) The viewers' report must include a benefits and damages statement that shows for each owner how the benefits or damages for similar tracts or lots were determined. For similar tracts or lots the report must describe:

(1) the existing land use, property value, and economic productivity;

(2) the potential land use, property value, and economic productivity after the drainage project is constructed; and

(3) the benefits or damages from the proposed drainage project.

(b) The soil and water conservation districts and county assessors shall cooperate with viewers to provide information required under paragraph (a).

Sec. 76. [106A.323] [PROPERTY OWNERS' REPORT AND FINAL PETITION NOTICE.]

Subdivision 1. [REPORT TO PROPERTY OWNERS.] Within 30 days after the viewers' report is filed, the auditor must make a property owners' report from the information in the viewers' report showing for each property owner benefited or damaged by the proposed drainage project:

(1) the name and address of the property owner;

(2) each lot or tract and its area that is benefited or damaged;

(3) the total number and value of acres added to a tract or lot by the proposed drainage of public waters, wetlands, and other areas not currently being cultivated;

(4) the number of acres and amount of benefits being assessed for drainage of areas which before the drainage benefits could be realized would require a permit to work in public waters under section 105.42, to excavate or fill a navigable water body under

United States Code, title 33, section 403, or a permit to discharge into waters of the United States under United States Code, title 33, section 1344;

(5) the number of acres and amount of benefits being assessed for drainage of areas that would be considered conversion of a wetland under United States Code, title 16, section 3821, if the area was placed in agricultural production;

(6) the damage, if any, to riparian rights;

(7) the amount of right-of-way acreage required;

(8) the amount that each tract or lot will be benefited or damaged;

(9) the net damages or benefits to each property owner;

(10) the estimated cost to be assessed to the property owner based on the cost of the drainage project in the engineer's detailed survey report; and

(11) a copy of the benefits and damages statement under section 106A.321, subdivision 1a, paragraph (a), relating to the property owner.

Subd. 2. [MAILING.] The auditor must mail a copy of the property owners' report to each property owner affected by the proposed drainage project, and may prepare and file an affidavit of mailing.

Sec. 77. Minnesota Statutes 1986, section 106A.325, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] (a) The final hearing notice must state:

(1) that the petition is pending;

(2) that the detailed survey report is filed;

(3) that the viewers' report is filed;

(4) the time and place set for the final hearing;

(5) a brief description of the proposed drainage project and affected drainage system, giving in general terms the starting point, terminus, and general course of the main ditch and branches;

(6) a description of property benefited and damaged, and the names of the owners of the property; and

(7) the municipal and other corporations affected by the proposed drainage system project as shown by the detailed survey report and viewers' report.

(b) Names may be listed in a narrative form and property affected may be separately listed in narrative form by governmental sections or otherwise.

(c) For a joint county proceeding, separate notice may be prepared for each county affected, showing the portion of the proposed drainage system project and the names and descriptions of affected property in the county.

Sec. 78. Minnesota Statutes 1986, section 106A.325, subdivision 3, is amended to read:

Subd. 3. [METHOD OF NOTICE.] The auditor shall notify the drainage authority, auditors of affected counties, and all interested persons of the time and location of the final hearing by publication, posting, and mail. A printed copy of the final hearing notice for each affected county must be posted at least three weeks before the date of the final hearing at the front door of the courthouse in each county. Within one week after the first publication of the notice, the auditor shall give notice by mail of the time and location of the final hearing to the commissioner, all property owners, and others affected by the proposed drainage system project and listed in the detailed survey report and the viewers' report.

Sec. 79. Minnesota Statutes 1986, section 106A.335, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATION OF PETITION AND REPORTS.] At the time and location for the final hearing specified in the notice, or after the hearing adjourns, the drainage authority shall consider the petition for the drainage system project, with all matters pertaining to the detailed survey report, the viewers' report, and the commissioner's final advisory report. The drainage authority shall hear and consider the testimony presented by all interested parties. The engineer or the engineer's assistant and at least one viewer shall be present. The director may appear and be heard. If the director does not appear personally, the final advisory report shall be read during the hearing. The final hearing may be adjourned and reconvened as is necessary.

Sec. 80. Minnesota Statutes 1986, section 106A.335, subdivision 3, is amended to read:

Subd. 3. [REEXAMINATION.] If the drainage authority determines that property not included in the notice should be included and assessed or that the engineer or viewers, or both, should reexamine the proposed drainage system project or the property

benefited or damaged by the system, the drainage authority may resubmit the reports to the engineer and viewers. If a report is resubmitted the final hearing may be continued as is necessary to make the reexamination and reexamination report. If the reexamination report includes property not included in the original report, the drainage authority may, by order, adjourn the hearing and direct the auditor to serve or publish, post, and mail a final hearing notice with reference to all property not included in the previous notice. The jurisdiction of the drainage authority continues in the property given proper notice, and new or additional notice is not required for that property.

Sec. 81. Minnesota Statutes 1986, section 106A.341, is amended to read:

106A.341 [DRAINAGE AUTHORITY FINAL ORDER.]

Subdivision 1. [DISMISSAL OF PROCEEDINGS.] The drainage authority must dismiss the proceedings and petition, by order, if it determines that:

(1) the benefits of the proposed drainage ~~system~~ project are less than the total cost, including damages awarded;

(2) the proposed drainage ~~system~~ project will not be of public benefit and utility; or

(3) the proposed drainage ~~system~~ project is not practicable after considering the environmental and land use criteria in section 106A.015, subdivision 1.

Subd. 2. [ESTABLISHMENT OF PROPOSED DRAINAGE SYSTEM.] (a) The drainage authority shall establish, by order, a proposed drainage ~~system~~ project if it determines that:

(1) the detailed survey report and viewers' report have been made and other proceedings have been completed under this chapter;

(2) the reports made or amended are complete and correct;

(3) the damages and benefits have been properly determined;

(4) the estimated benefits are greater than the total estimated cost, including damages;

(5) the proposed drainage ~~system~~ project will be of public utility and benefit, and will promote the public health; and

(6) the proposed drainage ~~system~~ project is practicable.

(b) The order must contain the drainage authority's findings, adopt and confirm the viewers' report as made or amended, and establish the proposed drainage system project as reported and amended.

Sec. 82. Minnesota Statutes 1986, section 106A.345, is amended to read:

106A.345 [APPORTIONMENT OF COST FOR JOINT COUNTY DRAINAGE SYSTEMS.]

For joint county proceedings, the auditor where the petition is filed shall file a certified copy of the viewers' report with the auditor of each affected county within 20 days after the date of the final order establishing the system. When the final order to establish the drainage system project is made, the drainage authority shall determine and order the percentage of the cost of the drainage system project to be paid by each affected county. The cost shall be in proportion to the benefits received, unless there is a contrary reason. An auditor of an affected county may petition the drainage authority after the final order is made to determine and order the percentage of costs to be paid by the affected counties. The drainage authority shall hold a hearing five days after giving written notice to the auditor of each affected county. After giving the notice to the auditors of the affected counties, the drainage authority may, at any time that it is necessary, modify an order or make an additional order to allocate the cost among the affected counties.

Sec. 83. Minnesota Statutes 1986, section 106A.351, is amended to read:

106A.351 [REDETERMINATION OF BENEFITS AND DAMAGES.]

Subdivision 1. [CONDITIONS TO REDETERMINE BENEFITS AND DAMAGES; APPOINTMENT OF VIEWERS.] If the drainage authority determines that the original benefits or damages determined in a drainage proceeding do not reflect reasonable present day land values or that the benefited or damaged areas have changed, or if more than 50 percent of the property owners benefited or damaged by a drainage system petition for correction of an error that was made at the time of the proceedings that established the drainage system, the drainage authority may appoint three viewers to redetermine and report the benefits and damages and the benefited and damaged areas.

Subd. 2. [HEARING AND PROCEDURE.] The drainage authority shall hold a hearing on the report and confirm the benefits and benefited areas. (a) The redetermination of benefits and damages shall proceed as provided for viewers and the viewers' report in sections 106A.311 to 106A.321; and for.

(b) The auditor must prepare a property owner's report from the viewer's report. A copy of the property owner's report must be mailed to all persons affected by the drainage system.

(c) The drainage authority shall hold a final hearing on the report and confirm the benefits and damages and benefited and damaged areas. The final hearing shall proceed as provided under sections 106A.325, 106A.335, and 106A.341, except that the hearing shall be held within 30 days after the property owner's report is mailed.

Subd. 3. [REDETERMINED BENEFITS AND DAMAGES REPLACE ORIGINAL BENEFITS AND DAMAGES.] The redetermined benefits and damages and benefited and damaged areas must be used in place of the original benefits and damages and benefited and damaged areas in all subsequent proceedings relating to the drainage system.

Subd. 4. [APPEAL.] A person aggrieved by the redetermination of benefits and damages and benefited and damaged areas may appeal from the order confirming the benefits and damages and benefited and damaged areas under section 106A.091.

Sec. 84. Minnesota Statutes 1986, section 106A.401, subdivision 2, is amended to read:

Subd. 2. [EXPRESS AUTHORITY NECESSARY.] After the construction of a drainage system project, a public or private drainage system that drains property not assessed for benefits for the established drainage system may not be constructed to use the established drainage system as an outlet without obtaining express authority from the drainage authority of the drainage system proposed to be used as the outlet. This section is applicable to the construction of a public or private drainage system that outlets water into an established drainage system regardless of the actual physical connection.

Sec. 85. Minnesota Statutes 1986, section 106A.401, subdivision 6, is amended to read:

Subd. 6. [PAYMENT OF OUTLET FEE.] The outlet fee for a proposed drainage system project is a part of the cost of the proposed drainage system project and is to be paid by assessment against the property benefited by the proposed drainage system project, under section 106A.601, and credited to the established drainage system account.

Sec. 86. Minnesota Statutes 1986, section 106A.401, is amended by adding a subdivision to read:

Subd. 7. [UNAUTHORIZED OUTLET INTO DRAINAGE SYSTEM.] (a) The drainage authority must notify a property owner of an unauthorized outlet into a drainage system and direct the property owner to block the outlet or otherwise make the outlet ineffective by a specified time. The outlet must be blocked and remain ineffective until:

(1) an outlet fee is paid, which is determined by the drainage authority based on the benefits received by the property owner for the period the unauthorized outlet was operational; and

(2) the drainage authority approves a petition for the outlet and establishes the outlet fee.

(b) If a property owner does not block or make the outlet ineffective after being notified, the drainage authority must issue an order to have the work performed to bring the outlet into compliance. After the work is completed, the drainage authority must send a statement to the auditor of the county where the property is located and to the property owner containing the expenses incurred to bring the outlet into compliance and the outlet fee based on the benefits received by the property owner during the period the unauthorized outlet was operational.

Sec. 87. Minnesota Statutes 1986, section 106A.401, is amended by adding a subdivision to read:

Subd. 8. [COLLECTION OF UNAUTHORIZED OUTLET COMPLIANCE EXPENSES.] (a) The amount of the expenses and outlet fee is a lien in favor of the drainage authority against the property where the unauthorized outlet is located. The auditor must certify the expenses and outlet fee and enter the amount in the same manner as other drainage liens on the tax list for the following year. The amount must be collected in the same manner as real estate taxes for the property. The provisions of law relating to the collection of real estate taxes shall be used to enforce payment of amounts due under this section. The auditor must include a notice of collection of unauthorized outlet compliance expenses with the tax statement.

(b) The amounts collected under this subdivision must be deposited in the drainage system account.

Sec. 88. Minnesota Statutes 1986, section 106A.405, is amended to read:

106A.405 [OUTLETS IN ADJOINING STATES.]

In any drainage proceeding, at the hearing on the detailed survey report and viewers' report, if the drainage authority determines that a proper outlet for the drainage system does not exist, except

through property in an adjoining state, the drainage authority may adjourn the hearing. If the hearing is adjourned the drainage authority shall require the auditor or, for a joint county drainage system, the auditors of affected counties to procure an option to acquire the needed right-of-way at an expense not exceeding the estimated cost specified in the detailed survey report. The order establishing the drainage system project may not be made until the option is procured. If the option is procured and the drainage system project established, the option shall be exercised and the cost of the right-of-way shall be paid as a part of the cost of the drainage system project.

Sec. 89. Minnesota Statutes 1986, section 106A.411, subdivision 3, is amended to read:

Subd. 3. [FILING; NOTICE.] (a) If proceedings to establish the drainage system project to be used as an outlet are pending, the petition must be filed with the auditor. The municipal drainage system petition must be presented to the drainage authority at the final hearing to consider the detailed survey report and viewers' report. Notice of the municipal drainage system petition must be included in the final hearing notice.

(b) If the drainage system to be used as an outlet is established, the municipal drainage system petition must be filed with the auditor. When the petition is filed, the drainage authority in consultation with the auditor shall, by order, set a time and place for hearing on the petition. Notice of the hearing must be given by publication and by mailed notice to the auditor of each affected county.

Sec. 90. Minnesota Statutes 1986, section 106A.411, subdivision 4, is amended to read:

Subd. 4. [HEARING AND ORDER.] (a) At the hearing the drainage authority may receive all evidence of interested parties for or against the granting of the petition. The drainage authority, by order, may authorize the municipality to use the drainage system as an outlet, subject to the conditions that are necessary and proper to protect the rights of the parties and safeguard the interests of the general public, if the drainage authority determines:

(1) that a necessity exists for the use of the drainage-system as an outlet for the municipal drainage system or the overflow from the system;

(2) that use of the drainage system will be of public utility and promote the public health; and

(3) that the proposed connection conforms to the requirements of the pollution control agency and provides for the construction and use of proper disposal works.

(b) The drainage authority must, by order, make the municipality a party to the drainage proceedings and determine the benefits from using the drainage project or system as an outlet.

Sec. 91. Minnesota Statutes 1986, section 106A.501, subdivision 4, is amended to read:

Subd. 4. [CONTRACT PROVISIONS FOR CHANGES DURING CONSTRUCTION.] The contract must give the engineer the right, with the consent of the drainage authority, to modify the detailed survey report, plans, and specifications as the work proceeds and as circumstances require. The contract must provide that the increased cost resulting from the changes will be paid by the drainage authority to the contractor at a rate not greater than the amount for similar work in the contract. A change may not be made that will substantially impair the usefulness of any part of the drainage project or system, substantially alter its original character, or increase its total cost by more than ten percent of the total original contract price. A change may not be made that will cause the cost to exceed the total estimated benefits found by the drainage authority, or that will cause any detrimental effects to the public interest under section 106A.015, subdivision 1.

Sec. 92. Minnesota Statutes 1986, section 106A.501, subdivision 6, is amended to read:

Subd. 6. [GUARANTY OF TILE WORK.] If tile is used to construct any part of the drainage system project, a majority of the persons affected may file a written request with the auditor to contract the tile work separately. The request must be filed before advertising for the sale of the work has begun. If the request is properly made, the tile work must be contracted separately. The contractor must guarantee the tile work under the contract for three years after its completion against any fault or negligence on the part of the contractor. The advertisement for bids must include this requirement.

Sec. 93. Minnesota Statutes 1986, section 106A.501, subdivision 7, is amended to read:

Subd. 7. [MODIFICATION OF CONTRACT BY AGREEMENT.] This chapter does not prevent the persons with property affected by the construction of a drainage system project from uniting in a written agreement with the contractor and the surety of the contractor's bond to modify the contract as to the manner or time when any portion of the drainage system project is constructed, if

the modification is recommended, in writing, by the engineer and approved by the drainage authority.

Sec. 94. Minnesota Statutes 1986, section 106A.505, subdivision 1, is amended to read:

Subdivision 1. [AUDITORS AND DRAINAGE AUTHORITY TO PROCEED.] Thirty days after the order establishing a drainage system project is filed, the auditor and the drainage authority or, for a joint county drainage system project, a majority of the auditors of the affected counties shall proceed to award the contract to construct the drainage system project.

Sec. 95. Minnesota Statutes 1986, section 106A.505, subdivision 2, is amended to read:

Subd. 2. [PENDING APPEAL OF BENEFITS AND DAMAGES.] If an appeal regarding the determination of benefits and damages is made within 30 days after the order establishing the drainage system project has been filed, a contract may not be awarded until the appeal has been determined, unless the drainage authority orders the contract awarded. The auditor of an affected county or an interested person may request the drainage authority to make the order. If the request is not made by an affected auditor, the auditors of affected counties must be given notice five days before the hearing on the request.

Sec. 96. Minnesota Statutes 1986, section 106A.505, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF CONTRACT AWARDING.] The auditor of an affected county shall give notice of the awarding of the contract by publication in a newspaper in the county. The notice must state the time and location for awarding the contract. For a joint county drainage system project the auditors shall award the contract at the office of the auditor where the proceedings are pending. If the estimated cost of construction is more than \$3,000, the auditor must also place a notice in a drainage construction trade paper. The trade paper notice must state:

- (1) the time and location for awarding the contract;
- (2) the approximate amount of work and its estimated cost;
- (3) that bids may be for the work as one job, or in sections, or separately, for bridges, ditches and open work, tile, or tile construction work, if required or advisable;
- (4) that each bid must be accompanied by a certified check or a bond furnished by an approved surety corporation payable to the

auditors of affected counties for ten percent of the bid, as security that the bidder will enter into a contract and give a bond as required by section 106A.501; and

(5) that the drainage authority reserves the right to reject any and all bids.

Sec. 97. Minnesota Statutes 1986, section 106A.505, subdivision 7, is amended to read:

Subd. 7. [AFFECTED COUNTIES CONTRACT THROUGH AUDITOR.] The chair of the drainage authority and the auditor of each affected county shall contract, in the names of their respective counties, to construct the drainage system project in the time and manner and according to the plans and specifications and the contract provisions in this chapter.

Sec. 98. Minnesota Statutes 1986, section 106A.505, subdivision 8, is amended to read:

Subd. 8. [WORK DONE BY FEDERAL GOVERNMENT.] If any of the drainage work is to be done by the United States or its agencies, a notice of awarding that contract does not need to be published and a contract for that construction is not necessary. Affected municipalities may contract or arrange with the United States or its agencies for cooperation or assistance in constructing, maintaining, and operating the drainage project and system, for control of waters in the district, or for making a survey and investigation or reports on the drainage project or system. The municipalities may provide required guaranty and protection to the United States or its agencies.

Sec. 99. Minnesota Statutes 1986, section 106A.511, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS TO USE PROCEDURE IN THIS SECTION.] The procedure in this section may be used if, after a drainage system is established:

(1) the only bids received are for more than 30 percent in excess of the engineer's estimated cost, or in excess of the benefits, less damages and other costs; or

(2) a contract is awarded, but due to unavoidable delays not caused by the contractor, the contract cannot be completed for an amount equal to or less than the benefits, less damages and other costs.

Sec. 100. Minnesota Statutes 1986, section 106A.511, subdivision 2, is amended to read:

Subd. 2. [PETITION AFTER COST ESTIMATE ERROR OR CHANGE TO LOWER COST.] A person interested in the drainage ~~system~~ project may petition the drainage authority if the person determines that the engineer made an error in the estimate of the drainage ~~system~~ project cost or that the plans and specifications could be changed in a manner materially affecting the cost of the drainage system without interfering with the efficiency. The petition must state the person's determinations and request that the detailed survey report and viewers' report be referred back to the engineer and to the viewers for additional consideration.

Sec. 101. Minnesota Statutes 1986, section 106A.511, subdivision 3, is amended to read:

Subd. 3. [PETITION AFTER EXCESSIVE COST DUE TO INFLATION.] (a) A person interested in the drainage ~~system~~ project may petition the drainage authority for an order to reconsider the detailed survey report and viewers' report if the person determines:

(1) that bids were received only for a price more than 30 percent in excess of the detailed survey report estimate because inflation increased the construction cost between the time of the detailed survey cost estimate and the time of awarding the contract; or

(2) that after the contract was awarded there was unavoidable delay not caused by the contractor, and between the time of awarding the contract and completion of construction inflation increased construction costs resulting in the contract not being completed for an amount equal to or less than the assessed benefits.

(b) The person may request in the petition that the drainage authority reconsider the original cost estimate in the detailed survey report and viewers' report and adjust the cost estimate consistent with the increased construction cost.

Sec. 102. Minnesota Statutes 1986, section 106A.511, subdivision 5, is amended to read:

Subd. 5. [HEARING ON COST PETITION.] (a) At the hearing the drainage authority shall consider the petition and hear all interested parties.

(b) The drainage authority may, by order, authorize the engineer to amend the detailed survey report, if the drainage authority determines that:

(1) the detailed survey report cost estimate was erroneous and should be corrected;

(2) the plans and specifications could be changed in a manner materially affecting the cost of the drainage system project without interfering with the efficiency; and

(3) with the correction or modification a contract could be awarded within the 30 percent limitation and equal to or less than benefits.

(c) If the drainage authority determines that the amended changes affect the amount of benefits or damages to any property or that the benefits should be reexamined because of inflated land values or inflated construction costs, it shall refer the viewers' report to the viewers to reexamine the benefits and damages.

(d) The drainage authority may, by order, direct the engineer and viewers to amend their detailed survey report and viewers' report to consider the inflationary cost increases if the drainage authority determines that:

(1) bids were not received; or

(2) because of inflationary construction cost increases, construction under the awarded contract cannot be completed for 30 percent or less over the detailed survey cost estimate or in excess of the benefits, less damages and other costs.

(e) The drainage authority may continue the hearing to give the engineer or viewers additional time to amend the reports. The jurisdiction of the drainage authority continues at the adjourned hearing.

(f) The drainage authority has full authority to consider the amended reports and make findings and orders. A party may appeal to the district court under section 106A.091, subdivision 1.

Sec. 103. Minnesota Statutes 1986, section 106A.515, is amended to read:

106A.515 [DAMAGES, PAYMENT.]

The board of each county where the damaged property is located must order the awarded damages to be paid, less any assessment against the property, before the property is entered for construction of the drainage system project. If a county or a municipality that is awarded damages requests it, the assessment may not be deducted. If there is an appeal, the damages may not be paid until the final determination. If it is not clear who is entitled to the damages, the board may pay the damages to the court administrator of the district court of the county. The court shall direct the court administrator, by order, to pay the parties entitled to the damages.

Sec. 104. Minnesota Statutes 1986, section 106A.525, subdivision 2, is amended to read:

Subd. 2. [ROAD AUTHORITY RESPONSIBLE FOR CONSTRUCTION.] Bridges and culverts on public roads required by the construction or improvement of a drainage project or system must be constructed and maintained by the road authority responsible for keeping the road in repair, except as provided in this section.

Sec. 105. Minnesota Statutes 1986, section 106A.525, subdivision 3, is amended to read:

Subd. 3. [NOTICE; CHANGING COST.] The auditor shall notify the state and each railroad company, corporation, or political subdivision that they are to construct a required bridge or culvert on a road or right-of-way under its jurisdiction, within a reasonable time in the notice. If the work is not done within the prescribed time, the drainage authority may order the bridge or culvert constructed as part of the drainage system project construction. The cost must be deducted from the damages awarded to the corporation or collected from it as an assessment for benefits. If the detailed survey report or viewers' report shows that the construction of the bridge or culvert is necessary, the drainage authority may, by order, retain an amount to secure the construction of the bridge or culvert from amounts to be paid to a railroad, corporation, or political subdivision.

Sec. 106. Minnesota Statutes 1986, section 106A.525, subdivision 4, is amended to read:

Subd. 4. [CONSTRUCTION ON LINE BETWEEN TWO CITIES PAID EQUALLY.] The costs of constructing a bridge or culvert that is required by construction of a drainage system project on a public road that is not a state trunk highway on the line between two statutory or home rule charter cities, whether in the same county or not, must be paid jointly, in equal shares, by the cities. The cities shall pay jointly, in equal shares, for the cost of maintaining the bridge or culvert.

Sec. 107. Minnesota Statutes 1986, section 106A.541, is amended to read:

106A.541 [EXTENSION OF TIME ON CONTRACTS.]

The auditors of affected counties may extend the time for the performance of a contract as provided in this section. The contractor may apply, in writing, for an extension of the contract. Notice of the application must be given to: (1) the engineer and the attorney for the petitioners; and (2) for a joint county drainage system project, to the auditors of the affected counties. The auditors may grant an extension if sufficient reasons are shown. The extension does not affect a claim for liquidated damages that may arise after the

original time expires and before an extension or a claim that may arise after the time for the extension expires.

Sec. 108. Minnesota Statutes 1986, section 106A.555, subdivision 2, is amended to read:

Subd. 2. [HEARING.] At the hearing the drainage authority may, by order, direct payment of the balance due if it determines that the contract has been completed in accordance with the plans and specifications. If good cause is shown, the drainage authority may waive any part of the liquidated damages accruing under the contract. When the order is filed, the auditor shall draw a warrant on the treasurer of the county for the balance due on the contract. For a joint county drainage project or system the auditor shall make an order to the auditors of the affected counties to pay for their proportionate shares of the balance due on the contract. After receiving the order, the auditor of each affected county shall draw a warrant on the treasurer of the county for the amount specified in the order.

Sec. 109. Minnesota Statutes 1986, section 106A.601, is amended to read:

106A.601 [DRAINAGE LIEN STATEMENT.]

Subdivision 1. [DETERMINATION OF PROPERTY LIABILITY.] When the contract for the construction of a drainage system project is awarded, the auditor of an affected county shall make a statement showing the total cost of the drainage system project with the estimated cost of all items required to complete the work. The cost must be prorated to each tract of property affected in direct proportion to the benefits. The cost, less any damages, is the amount of liability for each tract for the drainage system project. The property liability must be shown in the tabular statement under subdivision 2, opposite the property owner's name and description of each tract of property. The amount of liability on a tract of property for establishment and construction of a drainage system project may not exceed the benefits determined in the proceedings that accrue to the tract.

Subd. 2. [DRAINAGE LIEN STATEMENT.] The auditor of each affected county shall make a lien statement in tabular form showing:

(1) the names of the property owners, corporate entities, or political subdivisions of the county benefited or damaged by the construction of the drainage system project in the viewers' report as approved by the final order for establishment;

(2) the description of the property in the viewers' report, and the total number of acres in each tract according to the county tax lists;

(3) the number of acres benefited or damaged in each tract shown in the viewers' report;

(4) the amount of benefits and damages to each tract of property as stated in the viewers' report and confirmed by the final order that established the drainage system project unless the order is appealed and a different amount is set; and

(5) the amount each tract of property will be liable for and must pay into to the county treasury for the establishment and construction of the drainage system project.

Subd. 3. [SUPPLEMENTAL DRAINAGE LIEN STATEMENT.] If any items of the cost of the drainage system project have been omitted from the original drainage lien statement, a supplemental drainage lien statement with the omitted items must be made and recorded in the same manner provided for a drainage lien statement. The total amount of the original drainage lien and any supplemental drainage liens may not exceed the benefits.

Subd. 4. [RECORDING DRAINAGE LIEN STATEMENT.] The lien against property in the drainage lien statement and supplemental drainage lien statements must be certified by the auditor and recorded on each tract by the county recorder of the county where the tract is located. The county recorder's fees for recording must be paid on allowance if allowed by the board. The drainage lien statement and any supplemental drainage lien statements, after recording, must be returned and preserved by the auditor.

Sec. 110. Minnesota Statutes 1986, section 106A.605, is amended to read:

106A.605 [EFFECT OF FILED DRAINAGE LIEN.]

The amount recorded on from the drainage lien statement and supplemental drainage lien statement that each tract of property will be liable for, and the interest allowed on that amount, is a drainage lien on the property. The drainage lien is a first and paramount lien until fully paid, and has priority over all mortgages, charges, encumbrances, and other liens, unless the board subordinates the drainage lien to easements liens of record. The recording of the drainage lien, drainage lien statement, or a supplemental drainage lien statement is notice to all parties of the existence of the drainage lien.

Sec. 111. Minnesota Statutes 1986, section 106A.611, subdivision 2, is amended to read:

Subd. 2. [INTEREST.] (a) Interest is an additional drainage lien on all property until paid. The interest rate on the drainage lien

principal from the date the drainage lien statement is recorded must be set by the board, but may not exceed seven percent per year from the date the drainage lien statement is recorded the rate determined by the state court administrator for judgments under section 549.09.

(b) Before the tax lists for the year are given to the county treasurer, the auditor shall compute the interest on the unpaid balance of the drainage lien at the rate set by the board. The amount of interest must be computed on the entire unpaid principal from the date the drainage lien was recorded to August 15 of the next calendar year, and afterwards from August 15 to August 15 of each year.

(c) Interest is due and payable after November 1 of each year the drainage lien principal or interest is due and unpaid.

Sec. 112. Minnesota Statutes 1986, section 106A.611, subdivision 3, is amended to read:

Subd. 3. [COLLECTION OF PAYMENTS.] Interest and any installment due must be entered on the tax lists for the year. The installment and interest must be collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment and interest with and as a part of the real estate taxes ~~on or before May 15 and one-half on or before October 15 of the next year.~~

Sec. 113. Minnesota Statutes 1986, section 106A.611, subdivision 6, is amended to read:

Subd. 6. [DRAINAGE LIEN RECORD.] The auditor shall keep a drainage lien record for each drainage project and system showing the amount of the drainage lien remaining unpaid against each tract of property.

Sec. 114. Minnesota Statutes 1986, section 106A.611, subdivision 7, is amended to read:

Subd. 7. [COLLECTION AND ENFORCEMENT OF DRAINAGE LIENS.] The provisions of law that exist relating to the collection of real estate taxes are adopted to enforce payment of drainage liens. If there is a default, a penalty may not be added to an installment of principal and interest, but each defaulted payment, principal, and interest draws interest from the date of default until paid at seven percent per year the rate determined by the state court administrator for judgments under section 549.09.

Sec. 115. Minnesota Statutes 1986, section 106A.615, subdivision 4, is amended to read:

Subd. 4. [ASSESSMENT FOR VACATED TOWN ROADS.] If a town is assessed for benefits to a town road in a drainage ~~system~~ project proceeding under this chapter and the town road is later vacated by the town board under section 164.07, the town board may petition the drainage authority to cancel the assessment. The drainage authority may cancel the assessment if it finds that the town road for which benefits are assessed has been vacated under section 164.07.

Sec. 116. Minnesota Statutes 1986, section 106A.615, subdivision 7, is amended to read:

Subd. 7. [RAILROAD AND UTILITY PROPERTY.] Property owned by a railroad or other utility corporation benefited by a drainage ~~system~~ project is liable for the assessments of benefits on the property as other taxable property. From the date the drainage lien is recorded, the amount of the assessment with interest is a lien against all property of the corporation within the county. Upon default the assessment may be collected by civil action or the drainage lien may be foreclosed by action in the same manner as provided by law for the foreclosure of mortgage liens. The county where the drainage lien is filed has the right of action against the corporation to enforce and collect the assessment.

Sec. 117. Minnesota Statutes 1986, section 106A.635, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] After the contract for the construction of a drainage ~~system~~ project is awarded, the board of an affected county may issue the bonds of the county in an amount necessary to pay the cost of establishing and constructing the drainage ~~system~~ project.

Sec. 118. Minnesota Statutes 1986, section 106A.635, subdivision 10, is amended to read:

Subd. 10. [BOND RECITAL.] Each drainage bond, temporary drainage bond, and definitive drainage bond must contain a recital that it is issued by authority of and in strict accordance with this chapter. The recital is conclusive in favor of the holders of the bonds as against the county, that the drainage ~~system~~ project has been properly established, that property within the county is subject to assessment for benefits in an amount not less than the amount of the bonds, and that all proceedings and construction relative to the drainage systems financed by the bonds have been or will be made according to law.

Sec. 119. Minnesota Statutes 1986, section 106A.645, subdivision 7, is amended to read:

Subd. 7. [PAYMENT.] The fees and expenses provided for in this chapter for a drainage project or system in one county must be audited, allowed, and paid by order of the board or for a drainage project or system in more than one county must be audited, allowed, and paid by order of the drainage authority after ten days' written notice to each affected county. The notice must be given by the auditor to the auditors of affected counties. The notice must state the time and location of the hearing and that all bills on file with the auditor at the date of the notice must be presented for hearing and allowance.

Sec. 120. Minnesota Statutes 1986, section 106A.651, subdivision 1, is amended to read:

Subdivision 1. [FUNDS FOR DRAINAGE SYSTEM COSTS.] The board shall provide funds to pay the costs of drainage projects and systems.

Sec. 121. Minnesota Statutes 1986, section 106A.655, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT MADE FROM DRAINAGE SYSTEM ACCOUNT.] The costs for a drainage system project proceeding and construction must be paid from the drainage system account by drawing on the account.

Sec. 122. Minnesota Statutes 1986, section 106A.701, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] The term "repair," as used in this section, means to restore all or a part of a drainage system as nearly as practicable to the same condition as ~~when~~ originally constructed ~~or~~ and subsequently improved, including resloping of ditches and leveling of waste banks if necessary to prevent further deterioration, realignment to original construction if necessary to restore the effectiveness of the drainage system, and routine operations that may be required to remove obstructions and maintain the efficiency of the drainage system.

Sec. 123. Minnesota Statutes 1986, section 106A.701, is amended by adding a subdivision to read:

Subd. 1a. [REPAIRS AFFECTING PUBLIC WATERS.] Before a repair is ordered, the drainage authority must notify the commissioner of a repair that may affect public waters. If the commissioner disagrees with the repair depth, the engineer, a representative appointed by the director, and a soil and water conservation district technician must jointly determine the repair depth using soil borings, field surveys, and other available data or appropriate methods. Costs for developing the recommended depth beyond the initial meeting must be shared equally by the drainage system and

the commissioner. The determined repair depth must be recommended to the drainage authority. The drainage authority may accept the joint recommendation and proceed with the repair.

Sec. 124. Minnesota Statutes 1986, section 106A.705, is amended to read:

Subdivision 1. [INSPECTION.] After the construction of a drainage system has been completed, the drainage authority shall maintain the drainage system that is located in its jurisdiction including grass strips under section 106A.021 and provide the repairs necessary to make the drainage system efficient. The drainage authority shall have the drainage system inspected annually on a regular basis by an inspection committee of the drainage authority or a drainage inspector appointed by the drainage authority.

Subd. 1a. [GRASS STRIP INSPECTION AND COMPLIANCE NOTICE.] (a) The drainage authority having jurisdiction over a drainage system must inspect the drainage system for violations of section 106A.021. If an inspection committee of the drainage authority or a drainage inspector determines that strips are not being maintained in compliance with section 106A.021, a compliance notice must be sent to the property owner.

(b) The notice must state:

(1) the date the ditch was inspected;

(2) the persons making the inspection;

(3) that spoil banks are to be spread in a manner consistent with the plan and function of the drainage system and the drainage system has acquired a grass strip 16½ feet in width or to the crown of the spoil bank, whichever is greater;

(4) the violations of section 106A.021;

(5) the measures that must be taken by the property owner to comply with section 106A.021 and the date when the property must be in compliance; and

(6) that if the property owner does not comply by the date specified, the drainage authority will perform the work necessary to bring the area into compliance with section 106A.021 and charge the cost of the work to the property owner.

(c) If a property owner does not bring an area into compliance with section 106A.021 as provided in the compliance notice, the inspection committee or drainage inspector must notify the drainage authority.

(d) This subdivision applies to property acquired under section 106A.021.

Subd. 2. [DRAINAGE INSPECTOR REPORT.] For each drainage system that the board designates and requires the drainage inspector to examine, the drainage inspector shall make a drainage inspection report in writing to the board after examining a drainage system, designating portions that need repair or maintenance of grass strips and the location and nature of the repair or maintenance. The board shall consider the drainage inspection report at its next meeting and may repair all or any part of the drainage system as provided under this chapter. The grass strips must be maintained in compliance with section 106A.021.

Subd. 3. [INSPECTION REPORT TO DRAINAGE AUTHORITY.] If the inspection committee or drainage inspector reports, in writing, to the drainage authority that maintenance of grass strips or repairs are necessary on a drainage system and the report is approved by the drainage authority, the maintenance or repairs must be made under this section.

Subd. 4. [REPAIRS LESS THAN \$20,000 \$50,000.] If the drainage authority finds that the estimated cost of repairs and maintenance of one drainage system for one year will be less than \$20,000 the greater of \$50,000 or \$1,000 per mile of open ditch in the ditch system, it may have the repair work done by hired labor and equipment without advertising for bids or entering into a contract for the repair work.

Subd. 5. [ANNUAL REPAIR ASSESSMENT LEVY LIMITS.] The drainage authority may give notice of and hold a hearing on the repair levy before ordering the levy of an assessment for repairs. In one calendar year the drainage authority may not levy an assessment for repairs or maintenance on one drainage system for more than 20 percent of the benefits of the drainage system, \$1,000 per mile of open ditch in the ditch system, or \$20,000 \$50,000, whichever is greater, except for a repair made after a disaster under subdivision 6 or under the petition procedure.

Subd. 6. [REPAIR AND CONSTRUCTION AFTER DISASTER.] The drainage authority may repair and reconstruct the drainage system without advertising for bids and without regard to the \$20,000 \$1,000 per mile of open ditch or \$50,000 limitation if:

(1) a drainage system is destroyed or impaired by floods, natural disaster, or unforeseen circumstances;

(2) the area where the drainage system is located has been declared a disaster area by the President of the United States and federal funds are available for repair or reconstruction; and

(3) the public interests would be damaged by repair or reconstruction being delayed.

Sec. 125. Minnesota Statutes 1986, section 106A.715, subdivision 6, is amended to read:

Subd. 6. [REPAIR BY RESLOPING DITCHES, LEVELING WASTE BANKS, INSTALLING EROSION CONTROL, AND REMOVING TREES.] (a) For a drainage system that is to be repaired by resloping ditches, leveling waste banks, installing erosion control measures, or removing trees, before ordering the repair, the drainage authority must appoint viewers to assess and report on damages and benefits if it determines that:

(1) that the resloping, leveling, and installing erosion control measures, or tree removal will require the taking of any property not contemplated and included in the original proceeding for the establishment of the drainage system; and

(2) that any waste bank leveling will directly benefit property where the bank leveling is specified; and

(3) the installation of erosion control measures will aid the long-term efficiency of the drainage system.

(b) The viewers shall assess and report damages and benefits as provided by sections 106A.315 and 106A.321 and. The drainage authority shall hear and determine the damages and benefits as provided in sections 106A.325, 106A.335, and 106A.341. The hearing shall be held within 30 days after the property owners' report is mailed. Damages must be paid as provided by section 106A.315 as a part of the cost of the repair, and benefits must be added to the benefits previously determined as the basis for the pro rata assessment for the repair of the drainage system for the repair proceeding only.

Sec. 126. [106A.728] [APPORTIONMENT OF REPAIR COSTS.]

Subdivision 1. [GENERALLY.] The cost of repairing a drainage system shall be apportioned pro rata on all property and entities that have been assessed benefits for the drainage system except as provided in this section.

Subd. 2. [ADDITIONAL ASSESSMENT FOR AGRICULTURAL PRACTICES ON GRASS STRIP.] (a) The drainage authority may, after notice and hearing, charge an additional assessment on property that has agricultural practices on or otherwise violates provisions related to the permanent grass strip acquired under section 106A.021.

(b) The drainage authority may determine the cost of the repair per mile of open ditch on the ditch system. Property that is in violation of the grass requirement shall be assessed a cost of 20 percent of the repair cost per open ditch mile multiplied by the length of open ditch in miles on the property in violation.

(c) After the amount of the additional assessment is determined and applied to the repair cost, the balance of the repair cost may be apportioned pro rata as provided in subdivision 1.

Subd. 3. [SOIL LOSS VIOLATIONS.] The drainage authority after notice and hearing may make special assessments on property that is in violation of a county soil loss ordinance.

Sec. 127. Minnesota Statutes 1986, section 106A.731, subdivision 1, is amended to read:

Subdivision 1. [APPORTIONMENT REPAIR COST OF ASSESSMENTS.] If there is not enough money in the drainage system account to make a repair, the board shall apportion and assess the costs of the repairs pro rata on all property and entities that have been assessed benefits for the drainage system.

Sec. 128. Minnesota Statutes 1986, section 106A.741, subdivision 5, is amended to read:

Subd. 5. [PROPERTY BENEFITED IN HEARING ORDER INCLUDED IN FUTURE PROCEEDINGS.] For the repair of the drainage system under this section that included the property that was not assessed and in all future proceedings relating to repairing, cleaning, improving, or altering the drainage system, the property benefited in the viewers' report hearing is part of the property benefited by the drainage system and must be assessed, in the same manner provided for the assessment of the property originally assessed for and included in the drainage system.

Sec. 129. Minnesota Statutes 1986, section 106A.811, subdivision 2, is amended to read:

Subd. 2. [PETITIONERS.] A petition must be signed by at least 51 percent of the resident property owners assessed for the construction of the drainage system or by the owners of not less than 51 percent of the area of the property assessed for the drainage system. For the purpose of the petition, the county is the resident owner of all tax-forfeited property held by the state and assessed benefits for the drainage system, and the board may execute the petition for the county as a resident an owner.

Sec. 130. Minnesota Statutes 1986, section 106A.811, subdivision 4, is amended to read:

Subd. 4. [FILING PETITION; JURISDICTION.] If all property assessed for benefits in the drainage system is in one county, the petition must be filed with the auditor unless the petition is signed by the board, in which case the petition must be made to the district court of the county and filed with the court administrator of court. If property assessed for benefits is in two or more counties, the petition must be filed with the auditor. When the petition is filed, the drainage authority in consultation with the auditor, or the court administrator with the approval of the court, shall set a time and location for a hearing on the petition. The auditor or court administrator shall give notice by publication of the time and location of the abandonment hearing to all persons interested. The drainage authority or the district court where the petition is properly filed has jurisdiction of the petition.

Sec. 131. Minnesota Statutes 1986, section 106A.811, subdivision 5, is amended to read:

Subd. 5. [ABANDONMENT HEARING.] (a) At the hearing, the drainage authority or court shall examine the petition and determine whether it is sufficient and shall hear all interested parties.

(b) If a property owner assessed benefits for the drainage system appears and makes a written objection to the abandonment of the drainage system, the drainage authority or court shall appoint three disinterested persons as viewers to examine the property and report to the drainage authority or court. The hearing must be adjourned to make the examination and report and a date set to reconvene. The viewers, if appointed, shall proceed to examine the property of the objecting owner and report as soon as possible to the drainage authority or court with the description and situation of the property and whether the drainage system drains or otherwise affects the property.

(c) ~~At~~ When the ~~adjourned~~ hearing is reconvened, the drainage authority or court shall consider the viewers' report and all evidence offered, and:

(1) if the drainage authority determines that the drainage system serves any useful purpose to any property or the general public, the petition for abandonment must be denied; or

(2) if the drainage authority determines that the drainage system does not serve any useful purpose to any affected property and is not of public benefit and utility, the drainage authority or court shall make findings and shall, by order, abandon the drainage system.

Sec. 132. Minnesota Statutes 1986, section 112.431, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) For the purpose of this section the terms defined in this subdivision have the meanings ascribed to them.

(b) "Drainage system" means a ditch as defined by has the meaning given in section 106A.005, subdivision 11.

(c) "Watershed district" means any watershed district established pursuant to the provisions of this chapter, wholly or partially in a metropolitan county.

(d) "Metropolitan county" means any one of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington.

(e) "Metropolitan area" means the combined area of the metropolitan counties.

Sec. 133. Minnesota Statutes 1986, section 112.48, subdivision 1, is amended to read:

Subdivision 1. After the overall plan of the district has been prescribed by the board, as provided in section 112.46, a petition may be filed with the managers for any project within the district conforming in general with the plan. The petition must be signed:

(1) by not less than 25 percent of the ~~resident freeholders property owners~~, or by the owners of more than 25 percent of the land within the limits of the area proposed to be improved, unless the project consists of the establishment of a new drainage system as defined in ~~sections 106A.005 to 106A.811~~ under chapter 106A or the improvement of an existing drainage system;

(2) by a majority of the ~~resident~~ owners of the land over which the proposed project passes or is located, or by the owners of at least 60 percent of the area of the land, if the project consists of the establishment of a new drainage system as defined in ~~sections 106A.005 to 106A.811~~ under chapter 106A;

(3) by not less than 26 percent of the ~~resident~~ owners of the property affected by the proposed project or over which the proposed project passes or by the owners of not less than 26 percent of the area affected or over which the proposed project passes if the project consists of the improvement of an existing drainage system as defined in ~~sections 106A.005 to 106A.811~~ under chapter 106A;

(4) by a county board of any county affected; or

(5) by the governing body of any city lying wholly or partly within the area proposed to be improved; provided that if the proposed

project affects lands exclusively within a city, the petition shall originate from the governing body of the city.

For the purpose of this subdivision, holders of easements for electric or telephone transmission or distribution lines are not considered freeholders or owners.

The petition shall contain the following:

(a) a description of the proposed project, and the purpose to be accomplished;

(b) a description of the lands over which the proposed project passes or is located;

(c) a general description of the part of the district which will be affected, if less than the entire district;

(d) the need and necessity for the proposed improvement;

(e) that the proposed project will be conducive to public health, convenience, and welfare;

(f) a statement that the petitioners will pay all costs and expenses which may be incurred in case the proceedings are dismissed or for any reason no construction contract is let for the project.

Sec. 134. Minnesota Statutes 1986, section 112.59, is amended to read:

112.59 [CONTROL OF CONTRACTS.]

In all cases where contracts are let by the managers, they shall have full control of all matters pertaining thereto. If a contractor fails to complete the improvement within the time or in the manner specified in the contract, the managers may extend the time for completion or may refuse an extension of time or may cancel the contract and readvertise and relet the contract. They may require the surety for the contractor to complete the improvement or proceed to have the contract otherwise completed at the expense of the contractor and the surety. They may take such other action with reference thereto that the occasion may require in the interest of the district. The provisions of ~~sections 106A.005 to 106A.811~~ chapter 106A, so far as pertinent, apply to and govern the relations between the engineer and the contractor, including the examination and report of the engineer and the amount and time of payment. The managers shall keep an accurate account of all expenses incurred, which shall include the compensation of the engineer and the assistants, the compensation and expenses of the appraisers as provided in section 112.50, the compensation of petitioners' attorney,

the cost of petitioners' bond, the fees of all county officials necessitated by the improvement which shall be in addition to all fees otherwise allowed by law, and the time and expenses of all employees of the district, including the expenses of the managers while engaged in any improvement. The fees and expenses provided for herein shall be audited, allowed and paid upon the order of the managers and shall be charged to and be treated as a part of the cost of the improvement.

Sec. 135. Minnesota Statutes 1986, section 112.60, subdivision 1, is amended to read:

Subdivision 1. Upon the filing by the managers with the auditor of any county of a statement listing the property and corporations benefited or damaged or otherwise affected by any improvement as found by the appraisers and approved by the managers, the auditor shall assess the amount specified in such list against the lands and municipalities or other corporations as therein specified in accordance with the pertinent provisions of sections 106A.005 to 106A.811 chapter 106A.

Sec. 136. Minnesota Statutes 1986, section 112.65, subdivision 1, is amended to read:

Subdivision 1. The managers of a district shall take over when directed by the district court or county board or joint county drainage authority any judicial or county or joint county drainage system within the district, together with the right to repair and maintain the same. Such transfer may be initiated by the district court joint county drainage authority or county board, or such transfer may be initiated by a petition from any person having an interest in the drainage system or by the managers. No such transfer shall be made until the district court joint county drainage authority or county board has held a hearing thereon. Due notice of the proposed transfer together with the time and place of hearing shall be given by two weeks published notice in a legal newspaper of general circulation in the area involved. All interested persons may appear and be heard. Following the hearing, the district court joint county drainage authority or county board shall make its order directing that the managers of a district take over the affected judicial joint county or county drainage system, unless it appears that the take over takeover would not be in the public welfare or public interest and would not serve the purpose of this chapter. When the transfer is directed all proceedings for repair and maintenance shall thereafter conform to the provisions of sections 106A.005 to 106A.811 chapter 106A.

Sec. 137. [FEDERAL 404 PERMITTING AUTHORITY REPORT.]

The commissioner of natural resources shall, in cooperation with the Minnesota department of agriculture, the Minnesota pollution

control agency, Minnesota association of watershed district managers, and the association of Minnesota counties, prepare a report relating to state assumption of the federal permitting program under United States Code, title 33, section 1344. The report must include:

(1) analyses of what types of activities and resources would be involved;

(2) environmental protection agency and United States Army Corps of Engineers' conditions for state permitting;

(3) analyses of the costs for state administration and alternative funding strategies;

(4) recommendations on the appropriate roles for state agencies and local government in administration of the program; and

(5) the necessary changes in current legislation to facilitate administration of the program.

The commissioner of natural resources must submit the report to the legislature and governor by October 1, 1988.

Sec. 138. [RENUMBERING SECTIONS.]

The revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the numbers set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>111.65</u>	<u>110.55</u>
<u>111.66</u>	<u>110.56</u>
<u>111.67</u>	<u>110.57</u>
<u>111.68</u>	<u>110.58</u>
<u>111.69</u>	<u>110.59</u>
<u>111.70</u>	<u>110.60</u>
<u>111.71</u>	<u>110.61</u>
<u>111.72</u>	<u>110.62</u>
<u>111.73</u>	<u>110.63</u>
<u>111.74</u>	<u>110.64</u>
<u>111.75</u>	<u>110.65</u>
<u>111.76</u>	<u>110.66</u>
<u>111.77</u>	<u>110.67</u>
<u>111.78</u>	<u>110.68</u>
<u>111.79</u>	<u>110.69</u>
<u>111.80</u>	<u>110.70</u>
<u>111.81</u>	<u>378.36</u>
<u>111.82</u>	<u>105.82</u>

Sec. 139. [REPEALER.]

Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; 111.01; 111.02; 111.03; 111.04; 111.05; 111.06; 111.07; 111.08; 111.09; 111.10; 111.11; 111.12; 111.13; 111.14; 111.15; 111.16; 111.17; 111.18; 111.19; 111.20; 111.21; 111.22; 111.23; 111.24; 111.25; 111.26; 111.27; 111.28; 111.29; 111.30; 111.31; 111.32; 111.33; 111.34; 111.35; 111.36; 111.37; 111.38; 111.39; 111.40; 111.41; 111.42; and 111.421, are repealed.

Sec. 140. [EFFECTIVE DATE.]

This act is effective August 1, 1987, for all drainage proceedings started after that date, except sections 111.01 to 111.421 are repealed January 1, 1988, but actions started under sections 111.01 to 111.421 before that date may be completed."

Delete the title and insert:

"A bill for an act relating to natural resources; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owner's report; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design elevation is different than original construction elevation; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; providing penalties; amending Minnesota Statutes 1986, sections 105.40, subdivision 11; 106A.005, subdivisions 2, 3, 4, 9, 10, 11, 12, 13, 14, 19, and by adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.021, by adding subdivisions; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivision 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, 6, and by adding subdivisions; 106A.321, subdivision 1, and by adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2, 6, and by adding subdivisions; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505,

subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding a subdivision; 106A.705; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60, subdivision 1; and 112.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; and 111.01 to 111.421."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1136, A bill for an act relating to public finance; changing the rural finance administration's qualified agricultural loan program and name; clarifying the duties and powers of the administration; amending Minnesota Statutes 1986, sections 41B.01; 41B.02; 41B.03; 41B.035; 41B.04, subdivisions 1, 7, 8, 9, 10, 11, and 12; 41B.19, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1986, sections 41B.04, subdivisions 6, 13, 14, 15, and 16; and 41B.05.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1986, section 41B.01, is amended to read:

41B.01 [CITATION; PURPOSE.]

Subdivision 1. [CITATION.] Sections 41B.01 to 41B.23 shall be known as and may be cited as the "Minnesota rural finance ~~administration~~ authority act of 1986."

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance ~~administration~~ authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the author-

ity of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the program and of the bonds issued to finance or provide security for the program is to purchase participation interests in loans to be made available by agricultural lenders to farmers in order to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the program programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance ~~administration~~ authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance ~~administration~~ authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Subd. 3. [RESTRUCTURED LOAN PROGRAM.] The Minnesota rural finance authority is authorized and directed pursuant to this chapter to establish and implement a restructured agricultural loan program. The purpose of the program and of bonds issued to finance or provide security for the program is to purchase participation interests in loans to be made available by agricultural lenders to farmers in order to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources.

Subd. 4. [HOMESTEAD REDEMPTION PROGRAM.] The authority is also authorized and directed pursuant to sections 41B.01 to 41B.23 to establish and implement a homestead redemption program. The purpose of this program shall be to assist those persons who have lost their farms due to foreclosure, deed-back, or

other actions necessary to settle their agricultural debts, and who are otherwise unable to secure the credit necessary to repurchase their farm homestead. The authority may enter into agreements with any eligible lender for the purposes of this program. The authority may, by rule, establish eligibility standards for this program that are different from those established for other programs of the authority. The authority's interest in any homestead redemption loan must not exceed \$25,000.

Subd. 5. [COMMITMENTS TO OTHER ENTITIES.] The authority may establish programs to make or purchase and may make or purchase, or enter into commitments to make or purchase, qualified agricultural loans or portions thereof, issued to persons described in section 41B.03, subdivision 1, which are insured or guaranteed by the Farmers Home Administration, Farm Credit System or a subdivision thereof, or any similar federal agency or federally chartered institution whose obligations are directly or indirectly guaranteed or insured by the United States. For this purpose the authority may exercise the powers set forth in sections 41B.035 and 41B.08.

Sec. 2. Minnesota Statutes 1986, section 41B.02, is amended to read:

41B.02 [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 41B.01 to 41B.23, the terms defined in this section have the meanings given them.

Subd. 2. [ADMINISTRATION AUTHORITY.] "Administration" "Authority" means the Minnesota rural finance administration authority created in section 41B.035.

Subd. 3. [FARM.] "Farm" means a family farm as defined in section 500.24, located in Minnesota.

Subd. 4. [ELIGIBLE AGRICULTURAL LENDER; ELIGIBLE LENDER.] "Eligible agricultural lender" or "eligible lender" means an entity of the kind described in section 41B.04, subdivision 6, which enters into an agreement with the administration providing for the purchase by the administration of participation interests in eligible agricultural loans originated and serviced by the qualified agricultural lender any bank, credit union, savings and loan association chartered by the state or federal government, unit of the farm credit system, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and any insurance company, fund, or other financial institution doing business as an agricultural lender within the state if the authority determines that the agricultural lender has sufficient personnel and other resources to efficiently and properly originate and service qualified agricultural loans. Each eligible agricultural lender shall enter into one or

more agreements with the authority providing for the origination and servicing of qualified agricultural loans on the terms and conditions the authority determines to be appropriate.

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a borrower who meets the eligibility criteria for a program in section 41B.03.

Subd. 6. [QUALIFIED AGRICULTURAL LOAN.] "Qualified agricultural loan" means a loan to an eligible borrower made by ~~an eligible agricultural lender which the administration purchases or in which the administration purchases a participation interest pursuant to agricultural programs established and implemented by the authority.~~

Subd. 7. [BONDS.] "Bonds" means bonds, notes, or other obligations issued by the ~~administration~~ authority. For the purposes of section 41B.19, "bonds" also includes bonds or other obligations issued by the state.

Subd. 8. [SECURITY ACCOUNT.] "Security account" means the rural finance ~~administration~~ authority security account established in section 41B.19, subdivision 5.

Subd. 9. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the ~~principal~~ outstanding balance on a loan covered by sections 41B.01 to 41B.23 that is equal to the current market value of the property secured by the loan.

Subd. 10. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the principal outstanding on a loan covered by sections 41B.01 to 41B.23 that is in excess of the current market value of the property secured by the loan.

Subd. 11. [BASIC INTEREST.] "Basic interest" means that part of interest on primary principal that is payable ~~annually~~ during the pendency of the loan.

Subd. 12. [DEFERRED INTEREST.] "Deferred interest" means that portion of the interest on primary principal and secondary principal the payment of which is deferred for the term of the loan. The deferred interest on primary principal may accrue at a different rate from the deferred interest on secondary principal as described in section 41B.04.

Subd. 13. [CURRENT MARKET VALUE.] "Current market value," for the purposes of section 41B.04, means the value determined by an appraisal considering comparable sales in the area where the real estate is located and the reasonable productive value of the property based on past production history. The state and the

eligible agricultural lender must mutually agree on the current market value.

Subd. 14. [BORROWER.] "Borrower" means the person or persons liable on a ~~restructured note~~ qualified agricultural loan.

Subd. 15. [ORIGINAL LOAN.] "Original loan" means a loan prior to restructuring as provided in section 41B.04.

Subd. 16. [RESTRUCTURED LOAN.] "Restructured loan" means a loan after it is modified pursuant to section 41B.04.

Subd. 17. [MARKET RATE.] "~~Market rate~~" means ~~an interest rate based on a formula established in rule and certified each month by the commissioner of finance.~~

Sec. 3. Minnesota Statutes 1986, section 41B.03, is amended to read:

41B.03 [BORROWER ELIGIBILITY CRITERIA.]

Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:

(a) A borrower must be a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2.

(b) The borrower or one of the borrowers must be the principal operator of the farm or, in the case of a prospective homestead redemption borrower, must have at one time been the principal operator of a farm.

(c) The borrower must not previously have received assistance pursuant to sections 41B.01 to 41B.23.

Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must meet the following criteria:

(a) The borrower or one of the borrowers must have received at least 50 percent of average annual gross income from farming for the past three years, and farming must be the principal occupation of the borrower.

(d) (b) The borrower must have a debt-to-asset ratio equal to or greater than 50 percent. In determining this ratio, the assets must be determined by the valued at their current market value of the assets.

(e) (c) The borrower's projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, must not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production. The authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan.

~~(f) (d) The borrower must be unable to meet demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan.~~

~~(g) The borrower must not previously have received restructuring assistance pursuant to sections 41B.01 to 41B.23.~~

Subd. 3. [CONTINUING ELIGIBILITY REQUIREMENTS.] Upon qualifying for and receiving a restructured loan, a borrower must thereafter only continue to meet the requirements of subdivision 1, paragraphs (a) and (b).

Sec. 4. Minnesota Statutes 1986, section 41B.035, is amended to read:

41B.035 [RURAL FINANCE ADMINISTRATION.]

Subdivision 1. [ESTABLISHMENT.] There is created a public body corporate and politic to be known as the "Minnesota rural finance administration authority," which shall perform the governmental functions and exercise the sovereign powers delegated to it in sections 41B.01 to 41B.23 in furtherance of the public policies and purposes declared in section 41B.01. The board of the administration authority consists of the commissioners of agriculture, commerce, and finance, the state auditor, and three five public members, three of whom are active farmers, appointed by the governor with the advice and consent of the senate. No public member may reside within the metropolitan area, as defined in section 473.02, subdivision 5. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member is conclusive evidence of the proper appointment of the member.

Subd. 2. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] The membership terms, compensation, removal of members, and filling of vacancies for the public members of the administration authority are as provided in section 15.0575.

Subd. 3. [CHAIR.] The commissioner of finance is the chair of the board authority. The commissioner of agriculture is the vice-chair of the board authority.

Subd. 4. [MANAGEMENT AND CONTROL.] The management and control of the administration is vested solely in the board in accordance with sections 41B.01 to 41B.23.

Subd. 5 4. [BOARD ACTIONS OF THE AUTHORITY.] The powers of the board are vested in the members in office from time to time. A majority of the members of the board authority, excluding vacancies, constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the board authority upon a vote of a majority of a quorum present.

Subd. 6 5. [ADMINISTRATIVE CONTROL.] The administration authority is under the administrative control of the commissioner of finance.

Subd. 7 6. [PERSONAL LIABILITY.] The members and officers of the administration authority are not liable personally, either jointly or severally, for any debt or obligation created or incurred by the administration authority.

Subd. 7. [GENERAL POWERS OF THE AUTHORITY.] To exercise the specific powers granted in section 41B.04 and bring about the other purposes of sections 41B.01 to 41B.23, the authority has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may delegate any of its powers to its officers or staff.

(d) It may acquire, hold, and dispose of personal property for its corporate purposes.

(e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, if the acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

(h) It may provide general consultative assistance services relating to rural finance and shall make available technical assistance to potential lenders and applicants to encourage applications for loans.

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities to regulate the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs, including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of the studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the use of authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it considers necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of administration resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(r) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans pursuant to normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

Sec. 5. Minnesota Statutes 1986, section 41B.04, subdivision 1, is amended to read:

Subdivision 1. [RESTRUCTURING AUTHORITY.] The ~~administration~~ authority may enter into agreements or programs with eligible agricultural lenders for the restructuring of mortgage loans on real property located in Minnesota which is farmed by Minnesota residents, on such terms and conditions as the ~~administration~~ authority determines are not inconsistent with sections 41B.01 to 41B.23. This section governs the ~~programs of the administration~~ authority's restructured loan program.

Sec. 6. Minnesota Statutes 1986, section 41B.04, subdivision 7, is amended to read:

Subd. 7. [RESTRUCTURING PROCEDURE.] The eligible agricultural lender or borrower shall propose restructuring a loan to the administration authority. Within 30 days of receiving adequate information concerning a proposal, the ~~administration~~ authority and the eligible lender shall notify the borrower of their determination of eligibility. An eligible agricultural lender shall then expeditiously ~~conduct necessary appraisals and~~ draft the loan restructuring agreement which must be consistent with this section and documents previously approved by the ~~administration and eligible lenders~~ authority. The loan restructuring agreement must be approved by the eligible lender, the ~~administration~~, and the borrower.

An eligible borrower may participate in the restructured loan or the homestead redemption loan, but not both loans.

Sec. 7. Minnesota Statutes 1986, section 41B.04, subdivision 8, is amended to read:

Subd. 8. [STATE'S PARTICIPATION.] With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the administration authority, the ~~administration~~ authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of one-quarter of the primary principal or \$50,000, whichever is less; except that the ~~administration~~ may participate in restructured loans made for the redemption of homesteads to the extent of one-half of the primary principal or \$25,000, whichever is

less. The administration's authority's portion of the loan must thereafter be protected by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 8. Minnesota Statutes 1986, section 41B.04, subdivision 9, is amended to read:

Subd. 9. [RESTRUCTURED LOAN AGREEMENT.] (a) All payments on the primary and secondary principal of the restructured loan, all payments of interest on the secondary principal, and an agreed portion of the interest payable to the eligible agricultural lender on the primary principal must be deferred to the end of the term of the loan.

(b) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.

(c) Interest on secondary principal must accrue at a below market interest rate.

(d) At the conclusion of the term of the restructured loan, the borrower owes primary principal, secondary principal, and deferred interest on primary and secondary principal. However, part of this balloon payment may be forgiven following an appraisal by the lender and the administration authority to determine the current market value of the real estate subject to the mortgage. If the current market value of the land after appraisal is less than the amount of debt owed by the borrower to the lender and administration authority on this obligation, that portion of the obligation that exceeds the current market value of the real property must be forgiven by the lender and the administration authority in the following order:

- (1) deferred interest on secondary principal;
- (2) secondary principal;
- (3) deferred interest on primary principal;
- (4) primary principal as provided in an agreement between the administration and the lender; and
- (5) accrued but not deferred interest on primary principal.

The debt forgiveness may be combined with a renegotiated loan on the unforgiven balance due if the borrower is able to establish that there are reasonable prospects of repayment on a debt equal to the current market value of real estate at then existing interest rates. If

so, the loan must be reamortized on terms and conditions acceptable to the lender, the administration, and the farmer.

(e) The authority must not participate in any refinancing of a restructured loan at the conclusion of the restructured loan.

Sec. 9. Minnesota Statutes 1986, section 41B.04, subdivision 10, is amended to read:

Subd. 10. [INTEREST RATE.] Unless the authority determines that it is not in the best interests of the restructured loan program, the interest rate per annum on the portion of the restructuring restructured loan represented by the participation interest purchased by the administration authority must be that rate of interest determined by the administration authority to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations issued by the administration authority, and to provide for the reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the administration authority in the implementation of the program. The interest rate per annum borne by the primary principal portion of the restructuring loan retained by the eligible agricultural lender must be a rate of interest approved by the administration authority. The administration authority may specify the points, fees, and other charges which the eligible agricultural lender may charge to the eligible borrower.

Sec. 10. Minnesota Statutes 1986, section 41B.04, subdivision 11, is amended to read:

Subd. 11. [ADMINISTRATION.] The eligible lender shall administer the loans and shall bear all costs of the loan ~~administration authority~~. Ordinary costs of administration include appraisals, litigation, abstracts of title, and similar costs. ~~The administration agrees to share in any other responsibilities common to a loan participation agreement.~~

Sec. 11. Minnesota Statutes 1986, section 41B.04, subdivision 12, is amended to read:

Subd. 12. [ASSIGNABILITY.] Loans restructured under this section may not be assigned to anyone other than a ~~direct descendant of the original borrower and the assignee must intend to engage in the direct operation and management of the farm which is subject to the mortgage meeting the eligibility requirements of section 41B.03, subdivision 1, and any other requirements imposed or approved by the authority.~~ If such an assignment is contemplated, the borrower must obtain prior written approval of the eligible lender and the administration and the assignee shall thereafter be subject to the same terms and conditions and events of default as the original borrower. If assigned to some other party, the eligible agricultural

lender may exercise its foreclosure remedies as provided by its contracts and by law.

Sec. 12. [41B.075] [DATA PRIVACY.]

Financial information, including but not limited to credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan or grant and the name of each individual who is the recipient of a loan are private data on individuals, pursuant to section 13.02, subdivision 12.

Sec. 13. Minnesota Statutes 1986, section 41B.08, subdivision 4, is amended to read:

Subd. 4. [REQUIRED RATING.] No bonds may be issued unless a rating of "A" or better has been awarded to the bonds by a national bond rating agency. The "A" rating is not required, however, if the bonds are initially sold to corporations or financial institutions for investment purposes and not for the purpose of remarketing the bonds to the public.

Sec. 14. Minnesota Statutes 1986, section 41B.12, is amended to read:

41B.12 [REVENUE BONDS; NONLIABILITY OF INDIVIDUALS.]

Neither the members of the administration authority and its staff nor any person executing the bonds is liable personally on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 15. Minnesota Statutes 1986, section 41B.19, subdivision 5, is amended to read:

Subd. 5. [RURAL FINANCE ADMINISTRATION AUTHORITY SECURITY ACCOUNT.] The commissioner of finance shall maintain a separate state building fund account designated as the rural finance administration authority security account, into which must be deposited the proceeds of the rural renewal general obligation bonds issued as provided in this section. The commissioner of finance shall maintain a separate bookkeeping account to record receipts and disbursements of money transferred to or from the security account and to record income from the investment of money in the account. Upon the written request of the administration authority, the commissioner of finance shall transfer from the security account to an account or accounts the administration authority shall designate, a sum of money sufficient in amount, if available, when added to the balances then on hand in the designated accounts, to pay bonds issued by the administration authority

under sections 41B.01 to 41B.23 and the interest on them due and to become due on the next succeeding date for the payment of the principal of and interest on the bonds of the ~~administration~~ authority or to restore to any debt service reserve fund established in connection with the bonds any amount withdrawn from the debt service reserve account to pay the bonds. When no revenue bonds secured by the security account are outstanding under the resolution authorizing their issuance, the commissioner of finance shall further transfer from all money and securities on hand in the security account on or before the date on which any installment of the principal of and interest on bonds authorized by this section is due, a sum sufficient in amount, when added to the balance then on hand in the rural renewal bond account, to pay all bonds issued under this section and the interest on them due and to become due on the next succeeding date for payment of the bonds to the state bond fund.

Sec. 16. Minnesota Statutes 1986, section 41B.19, subdivision 6, is amended to read:

Subd. 6. [INVESTMENT OF SECURITY ACCOUNT.] Money from time to time on deposit in the security account must be invested by the state board of investment at the request of the ~~administration~~ authority in any investment authorized by this subdivision. Money on deposit in the security account may be invested in (1) certificates of deposit insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation; (2) certificates of deposit issued by eligible agricultural lenders, whether or not fully insured or secured issued by any national banking association or by a bank and trust company organized under the laws of any state, or interest-bearing time deposits with any such institution. The principal amount of the investment must be fully insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. If not fully insured, the institution issuing the certificate of deposit or accepting the time deposit must be rated in the AA or a higher category as defined by a nationally recognized bond rating agency or in an equivalent or higher rating category based on any later redefinition; (3) (2) deposits secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for those deposits; (4) (3) qualified agricultural loans or in participation interests in qualified agricultural loans; or (5) (4) qualified restructured loans. If and to the extent money has been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the ~~administration~~ authority, or to transfer money to a debt service reserve fund established in connection with the bonds, the ~~administration~~ authority shall transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the ~~administration's~~ authority's obligation to transfer

money to the security account is limited to money then on hand in funds or accounts of the ~~administration~~ authority in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the ~~administration~~ authority and to pay the costs of issuing, carrying, administering, and securing the bonds of the ~~administration~~ authority and of administering and implementing the programs of the ~~administration~~ authority financed by the bonds.

Sec. 17. [41B.195.] [ADDITIONAL USE OF GENERAL OBLIGATION BONDS.]

Notwithstanding the limit set forth in section 41B.19, subdivision 1, the commissioner of finance, upon the request of the rural finance authority, may issue the general obligation bonds authorized by section 41B.19 and use the proceeds thereof to purchase participations in restructured loans if the commissioner determines that it is not practical or efficient to issue revenue bonds pursuant to section 41B.08 for the purpose of section 41B.04 as a result of reduced program size or increased program costs. Subject to the other provisions of this section, the proceeds of the bonds must be deposited, held, and disbursed from a separate state building fund account, the bonds are payable from the bond account established by section 41B.19, subdivision 4, and the participations purchased with the bond proceeds must be held as assets of the bond account. If the rural finance authority later determines to issue revenue bonds pursuant to section 41B.08 for the purposes specified in section 41B.04, the commissioner may by order provide for the transfer of all or a portion of the remaining bond proceeds and interest thereon, and all or a portion of the participations purchased with the bond proceeds and proceeds thereof, to be transferred to the security account established in section 41B.19, subdivision 5, and used for the purposes specified in section 41B.19, subdivisions 1 and 5.

Sec. 18. [REPEALER.]

Minnesota Statutes 1986, sections 41B.04, subdivisions 6, 13, 14, 15, and 16; and 41B.05, are repealed.

Sec. 19. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes is instructed to change the phrases "rural finance administration" and "administration" when the term is applied to the rural finance administration to "rural finance authority" and "authority" respectively in Minnesota Statutes. The revisor is further instructed to rearrange the subdivisions of Minnesota Statutes 1986, section 41B.02, so that the terms defined therein are in alphabetical order.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following their final enactment.

ARTICLE 2

Section 1. [325G.221] [DEFICIENCY JUDGMENTS ON AGRICULTURAL PERSONAL PROPERTY.]

Subdivision 1. [STATUTE OF LIMITATIONS ON EXECUTING JUDGMENT.] A deficiency judgment on personal property used in agricultural production may be enforced by execution, but the judgment may not be executed after three years from the date judgment was entered.

Subd. 2. [ATTACHMENT OF PERSONAL PROPERTY AFTER JUDGMENT IS ENTERED.] A deficiency judgment obtained to enforce a debt on personal property used in agricultural production does not attach to real or personal property that is acquired by the debtor after the judgment is entered.

Sec. 2. Minnesota Statutes 1986, section 580.031, is amended to read:

580.031 [MINIMUM NOTICE.]

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

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

Sec. 3. [583.305] [PROHIBITED WAIVERS.]

A lender may not require a borrower to waive rights under the farmer-lender mediation act as a condition for making a loan. Any such waiver of rights under the farmer-lender mediation act since March 21, 1986, is void.

Sec. 4. Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, as amended by Laws 1985, chapter 306, section 26, is amended to read:

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1987 1989, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 5. [EFFECTIVE DATE.]

This article is effective July 1, 1987.

ARTICLE 3

Section 1. Minnesota Statutes 1986, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, when leasing or selling farm land or a farm homestead, must offer or make a good faith effort to offer land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. "Highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash-price offer is one which involves contemporaneous transfer of title. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by the treasury yield curve for like time periods plus 2.0 percent. A time-price offer is an offer that defers payment of any portion of the price and does not involve a transfer of fee title until full payment is made. An offer to lease to the former owner is required only on the first each occasion on which the property is leased until the property is actually sold or until the former owner fails to exercise the right of first refusal. An offer to sell to the former owner is required only on the first occasion on which the property is sold. An offer to sell or lease to the preceding former owner must be in writing and must accurately report all relevant details of the sale or lease offer acceptable to the seller or lessor. An offer to sell must have a copy of the purchase agreement for the highest offer made by a third party that is acceptable to the seller and must be included with the notice under this subdivision. An offer to lease must have a copy of the lease agreement for the highest offer made by a third party that is acceptable to the seller and must be included with the notice under this subdivision. An offer delivered by certified mail to the former owner's last known address is a good faith offer. This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years except for a corporation that holds land under subdivision 3, clause (1) in which case the requirement to offer to sell or lease to the immediately preceding owner remains in effect for ten years.

The former owner must exercise the right to lease farm land within ten days after receiving an offer to lease under this subdivision. The former owner must exercise the right to buy farm land within 60 days after receiving an offer to buy under this subdivision. ~~This subdivision does not apply if the former owner is a bankruptcy estate.~~

The right under this subdivision may not be waived unless the waiver is signed after the right actually exists and could be exercised by the previous owner.

ARTICLE 4

Section 1. Minnesota Statutes 1986, section 583.03, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 apply to ~~first~~ mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 583.02, including: (1) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (2) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Sec. 2. [REPEALER.]

Minnesota Statutes 1986, section 583.03, subdivision 2, is repealed.

ARTICLE 5

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

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

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

Subd. 15. [ACQUIRED PROPERTY LOAN GUARANTEE.] "Acquired property loan guarantee" means an agreement that in the

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

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

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

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

41.55 [ELIGIBILITY.]

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

- (a) that the applicant is a resident of the state of Minnesota;
- (b) that the applicant has sufficient education, training, or experience in the type of farming for which the loan is desired and continued participation in a farm management program, approved by the commissioner, for at least the first ~~ten~~ five years of the family farm security loan;
- (c) that the applicant and the applicant's dependents and spouse have total net worth valued at less than ~~\$75,000~~ \$150,000 and have demonstrated a need for the loan;
- (d) that the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;
- (e) that the applicant is credit worthy according to standards prescribed by the commissioner.

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

Subdivision 1. [AUTHORIZATION.] The commissioner may provide an acquired property loan guarantee to lenders on the sale of

acquired property acquired on or before the effective date of this act if the buyer satisfies the eligibility criteria in section 41.55, and if the applicant agrees to participate in an approved farm management program for the first five years of the sale contract for deed or mortgage, and if:

- (a) this is the buyer's first farm real estate purchase;
- (b) the buyer has been the manager/operator of a commercial size farm operation and currently holds ownership to no more than 160 acres of farm real estate; or
- (c) after the purchase under this article, the total agricultural land owned by the purchaser must not exceed 480 acres.

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

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

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

(a) The acquired property will not be sold for less than 95 percent nor more than 105 percent of current market value. Market value appraisals shall be mutually agreed to by the lender and the commissioner for each property. To the extent not disallowed by statute, a seller must, as part of the conveyance, transfer to the buyer all mineral rights it holds to the land being conveyed unless the buyer willingly waives in a separate writing the requirement to convey the mineral rights.

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

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

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

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

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

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

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

(d) The guarantee is neither assignable nor assumable.

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

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

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

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

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

Subd. 6. [FILING CLAIM.] When a default occurs and the appropriate actions have been taken to recover title to the property, the lender shall provide the commissioner with an acceptable plan for

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

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

ARTICLE 6

AGRICULTURAL DATA TASK FORCE

Section 1. [REACTIVATION OF THE AGRICULTURAL DATA TASK FORCE.]

The agricultural data collection task force created by Laws 1985, chapter 19, as reactivated and amended by Laws 1986, chapter 398, article 11, is reactivated.

Sec. 2. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, is amended to read:

Subd. 6. [EXPIRATION.] The data collection task force expires January April 15, 1987 1989, or 15 days after reporting to the

legislature whichever date comes later, but in no circumstance later than March June 1, 1987 1989.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 7

APPROPRIATIONS

Section 1. [AGRICULTURAL DATA TASK FORCE.]

\$70,000 is appropriated from the general fund to the legislative advisory commission to fund the activities of the agricultural data collection task force to be available until June 30, 1989.

Sec. 2. [APPROPRIATION; PSEUDORABIES CONTROL.]

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

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

Sec. 3. [INTERSTATE COMPACT ON GRAIN MARKETING.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for payment of financing the operations of the state's portion of the interstate compact on grain marketing.

Sec. 4. [SWEET SORGHUM RESEARCH.]

\$394,000 is appropriated from the general fund to the state board of vocational technical education for a demonstration project at the Mankato Vocational Technical Institute involving butanol and ethanol production from sweet sorghum, for the biennium ending June 30, 1989.

Sec. 5. [MONEY TO THE UNIVERSITY OF MINNESOTA FOR RESEARCH ON VETERINARY HEALTH CARE DELIVERY FOR DAIRY HERDS.]

\$200,000 is appropriated from the general fund in each fiscal year, 1988 and 1989 to the board of regents of the University of Minnesota for full and partial support of two scientists, support staff, and operating funds to develop and research veterinary health care delivery systems for dairy herds in Minnesota. The appropriation for both years is available until June 30, 1989.

Sec. 6. [APPROPRIATIONS; STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. There is appropriated \$112,500 from the general fund to the state board of vocational technical education, for the fiscal year ending June 30, 1987, to provide salary and travel to hire up to 15 support staff knowledgeable in financial planning for farm operations to assist farm business management instructors with unusually heavy workloads due to demand by farmers for assistance with mediation, obtaining credit, application for assistance programs such as interest buy-down, and in areas where bank closures may occur.

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

	<u>Fiscal Year 1988</u>	<u>Fiscal Year 1989</u>
(1) <u>Support Staff</u>	<u>\$100,000</u>	<u>\$102,500</u>
<u>15 support staff for up to three months per year to be assigned to the six-area agricultural coordinator areas. The coordinator would assign and manage support staff to assist farm business management staff to provide information for financial planning and counseling.</u>		
(2) <u>New management programs</u>	<u>500,000</u>	<u>850,000</u>
<u>\$50,000 each to start farm business management and small business management programs.</u>		
(3) <u>Workshops</u>		
(a) <u>Marketing, financial management, alternative enterprise workshops for farmers and agribusiness.</u>	<u>100,000</u>	<u>100,000</u>

(b) <u>Staff development workshop for management staff</u>	<u>25,000</u>	<u>25,000</u>
(4) <u>Beginning farmer programs</u>	<u>50,000</u>	<u>70,000</u>
<u>\$2,500 grant to selected programs to provide an educational program for establishment in farming for beginning farmers.</u>		
<u>TOTALS</u>	<u>\$775,000</u>	<u>\$1,147,500</u>

Sec. 7. [APPROPRIATION; FARM ADVOCATE PROGRAM.]

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

Sec. 8. [APPROPRIATION; WILD RICE RESEARCH PROGRAM.]

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

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

Sec. 9. [APPROPRIATION; MILK IN SCHOOLS PROGRAM.]

For milk programs under Article 10, there is appropriated from the general fund:

\$1,000,000.....1988,

\$1,000,000.....1989.

Any unexpended balance at the end of fiscal year 1988 shall not cancel but shall be available for fiscal year 1989.

Sec. 10. [DAIRY SHEEP DEMONSTRATION.]

\$45,000 is appropriated from the general fund to the University of Minnesota for purposes of continuing the dairy sheep experiment project being performed at the Rosemount Experiment Station.

Sec. 11. [APPROPRIATION; COUNTY FAIR BOARDS.]

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

Sec. 12. [APPROPRIATION; LOW LIVESTOCK PRODUCTIVITY STUDY.]

\$150,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the study required under Article 11. Of this appropriation not more than \$10,000 is available for administrative costs of the department of agriculture and mileage and expense reimbursements to members of the advisory board. This appropriation does not cancel but remains available until April 1, 1989.

ARTICLE 8

Section 1. Minnesota Statutes 1986, section 583.02, is amended to read:

583.02 [DEFINITIONS.]

As used in this chapter, the term "homestead" means ~~residential or~~ agricultural real estate, a portion or all of which, at the time of the filing of the petition under section 583.04, is occupied by the owner and is entitled to receive homestead classification under section 273.13, subdivision 22 or 23 or would be entitled to receive the credit if it remained the residence of the owner on June 1 of the current year or January 2 of the next year.

"Homestead" also means residential real estate located in a distressed county as identified in section 297A.257, subdivision 1, which, at the time of the filing of the petition under section 583.04, is occupied by the owner and is entitled to receive homestead classification under section 273.13, subdivision 22 or 23, or would be entitled to receive credit if it remained the residence of the owner on June 1 of the current year or January 2 of the next year.

Sec. 2. Minnesota Statutes 1986, section 583.04, is amended to read:

583.04 [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises including farm homestead premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified petition requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. In the case of residential real estate located in a distressed county as identified in section 297A.257, subdivision 1, the postponement may be for up to six months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of May 24, 1983, may petition the district court in the same manner, requesting that the contract termination be postponed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings or contract termination until after the hearing on the petition. The court may order costs and attorney fees to be paid by the person applying for relief. If the court orders attorney fees to be paid, the amount may not exceed \$150 or one-half of the attorney fees allowed in section 582.01, whichever is less. The court may order the attorney fees to be prorated and combined with payments ordered under section 583.08. The court may not order attorney fees to be paid by the person applying for relief, if the person is receiving public assistance or legal aid for their own legal representation.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 9

Section 1. Minnesota Statutes 1986, section 582.041, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION OF HOMESTEAD DESIGNATION.] If a mortgage on real property is foreclosed and the property contains a portion of the a homestead of the mortgagor, the ~~mortgager~~ person in possession of the real property must be notified by the foreclosing mortgagee that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be included in served with the notice of foreclosure that is served on the mortgagor under person in possession of the real property with the requirements in section 580.04 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint served on the person in possession of the real property.

Sec. 2. Minnesota Statutes 1986, section 582.041, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] (a) The following notice must be ~~included in~~ served with the foreclosure notice of property containing a homestead that is served on the ~~mortgagor~~ person in possession of the real property under section 580.04 580.03. The notice is not to be published. The notice must be in 10-point capitalized letters.

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE COURT WITH A LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED."

Sec. 3. Minnesota Statutes 1986, section 582.041, subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] The mortgagor person who is homesteading the property must designate a legal description of the homestead property to be sold separately. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the mortgagor person homesteading the property, and be compact so that it does not unreasonably affect the value of the remaining property. The mortgagor person homesteading the property must serve a copy of the designation on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the designation must be provided to the court.

Sec. 4. Minnesota Statutes 1986, section 582.041, subdivision 5, is amended to read:

Subd. 5. [REDEMPTION.] The mortgagor A party who has a right of redemption may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption is the period for the entire property including the designated homestead.

Sec. 5. [582.042] [FORECLOSURE OF AGRICULTURAL LAND THAT INCLUDES SEPARATE TRACTS.]

Subdivision 1. [NOTIFICATION OF SEPARATE TRACT DESIGNATION.] If a mortgage on real property that is agricultural land is foreclosed and the property contains separate tracts, the person in possession of the real property must be notified by the foreclosing mortgagee that the separate tracts may be sold and redeemed separately. The notice in subdivision 2 must be served with the notice of foreclosure that is served on the person in possession of the property under section 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint.

Subd. 2. [DESIGNATION NOTICE.] (a) The following notice must be served with the foreclosure notice of the property that is served on the person in possession of the real property under section 580.03. The notice must be in 10-point capitalized letters and the notice is not to be published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES, MUST HAVE AN ENTRANCE BY DIRECT ACCESS TO A PUBLIC ROAD OR BY PERMANENT EASEMENT, AND MUST NOT UNREASONABLY AFFECT THE VALUE OF THE REMAINING PROPERTY."

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of real property containing separate tracts under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES.

YOU MUST PROVIDE THE COURT WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY."

Subd. 3. [DESIGNATION OF SEPARATE TRACTS.] The person being foreclosed must designate legal descriptions of each of the tracts to be sold separately. The tracts designated must be previously recorded as separate tracts. Each of the separate tracts must conform to local zoning ordinances, must have an entrance by direct access to a public road or by permanent easement, and must not unreasonably affect the value of the remaining property. The person being foreclosed must serve a copy of the legal descriptions of the tracts to be sold separately on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the legal descriptions of the tracts to be sold separately must be provided to the court.

Subd. 4. [SALE OF PROPERTY.] If the sheriff receives a designation of separate tracts under subdivision 3, or is ordered by the court, the sheriff must offer and sell the tracts separately.

Subd. 5. [REDEMPTION.] The designated tracts may be redeemed separately or the entire foreclosed property may be redeemed. The period of redemption is the period for the entire property including all of the designated tracts.

Sec. 6. [EFFECTIVE DATE.]

This article is effective July 1, 1987, except: sections 1 to 5 apply to foreclosures where the first publication occurs on or after July 1, 1987, and to foreclosures under chapter 581 where the first service or publication occurs on or after July 1, 1987.

ARTICLE 10

Section 1. [124.6461] [MILK PROGRAM.]

Subdivision 1. [PURPOSE.] The purpose of this section is to encourage school districts to provide milk to pupils in the first three grades of elementary school.

Subd. 2. [REIMBURSEMENT LEVEL.] In the 1987-1988 and 1988-1989 school years, the department of education shall reimburse school districts and nonpublic schools five cents for each one-half pint of milk per day provided to each first, second, and third grade pupil attending a public or nonpublic school. Schools which apply for reimbursement shall make milk available to all first, second, and third grade pupils enrolled in the school.

Subd. 3. [REIMBURSEMENT PROCEDURES.] The commissioner of education shall establish procedures and application forms for reimbursement.

ARTICLE 11

Section 1. [RESEARCH STUDY; LOW LIVESTOCK PRODUCTIVITY.]

Subdivision 1. [STUDY CRITERIA; SCOPE.] The University of Minnesota or another institution or organization selected by the commissioner of agriculture in consultation with the advisory board established under subdivision 3 shall perform the study required under this section. The study must provide interdisciplinary analysis of issues frequently believed to be electrical in nature that affect dairy and livestock productivity levels or are manifested in poor animal health. The study may include analysis of possible nonelectrical causes for low productivity levels or poor animal health at the study sites in order to help isolate the specific cause or causes of the problem at the sites. The study must be conducted on farmstead sites within the state as determined appropriate by the study team. The interdisciplinary team studying the selected sites must consist of researchers from the University of Minnesota or elsewhere who have expertise in the following fields: (1) animal sciences; (2) veterinary medicine; (3) electrical power distribution; (4) farmstead electrification; and (5) any other discipline or field deemed appropriate by members of the interdisciplinary team.

Subd. 2. [STUDY SITE SELECTION.] The farmstead sites to be studied must be selected by the advisory board established under subdivision 3. Study sites must be selected from among farmsteads whose operators request participation in the study. For three or more of the sites, preference must be given to farmsteads in dairy production areas which have experienced persistent problems with

low milk production levels and poor dairy herd health and where a traditional study of stray voltage has failed to identify or solve the problem.

Subd. 3. [ADVISORY BOARD: COMPOSITION, APPOINTMENT, DUTIES.] Not later than 30 days after the effective date of this act the governor, in consultation with the commissioner of agriculture, shall appoint an advisory board of nine members who shall determine farmstead sites to be included in the study. The advisory board shall meet at least quarterly to review progress reports on the study. Members of the advisory board shall include farmers experiencing conditions similar to those to be studied (membership on the advisory board does not preclude study of a farmstead operated by a member); farmers whose problems with low productivity levels or poor livestock health have been resolved; other farmers; a member of the Minnesota pollution control agency board; a representative of a cooperative electric association; a representative of an investor-owned electric utility which serves rural areas of Minnesota; a practicing veterinarian; and a representative of the University of Minnesota. Members of the advisory board shall serve without compensation but must be reimbursed by the commissioner of agriculture for mileage and actual expenses for meals related to service on the advisory board. The advisory board expires upon submission of the report required under subdivision 4.

Subd. 4. [REPORT.] The interdisciplinary study team shall prepare and deliver to the commissioner of agriculture a report on the results of the study. If feasible, the study team shall also submit the results of the study in a form appropriate for publication in one or more recognized scientific journals. The commissioner shall report results of the study to the house and senate committees on agriculture not later than February 1, 1989.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 12

Section 1. [GENERAL FUND CLAIMS BY EGG PRODUCERS.]

Subdivision 1. The amounts in this section are appropriated from the general fund to the egg producers named in this section in full and final payment of claims against the state. This appropriation remains available until June 30, 1988.

Subd. 2. Carolyn Kay Oswald, Route #1, Box 115, Swanville, Minnesota 56382, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Oswald. The loss would have been covered by bond except that the department of

agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$5,423.48.

Subd. 3. John E. Hamilton, 2039 Hawk Street, Becker, Minnesota 55508, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Hamilton. The loss would have been covered by bond except that the department of agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$3,078.83.

Subd. 4. Harvey Kimman, Route #2, Box 157, Freeport, Minnesota 56331, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Kimman. The loss would have been covered by bond except that the department of agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$13,019.78.

Subd. 5. Roger J. Welters, Route #2, Box 37, Swanville, Minnesota 56382, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Welters. The loss would have been covered by bond except that the department of agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$3,250.80.

Subd. 6. Wilfred Moscho, Box 268, St. Martin, Minnesota 56376, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Moscho. The loss would have been covered by bond except that the department of agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$3,338.46.

Subd. 7. Duane and Sharon Ballou, Route #1, Randall, Minnesota 56475, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from the Ballous. The loss would have been covered by bond except that the department of agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$3,304.80.

Subd. 8. Benedict Hoppe, 226 West Main Street, Melrose, Minnesota 56352, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Hoppe. The loss would have been covered by bond except that the department of agriculture neglected or failed to require the proper type of license and bond of the produce dealer.....\$2,862.03.

ARTICLE 13

Section 1. Minnesota Statutes 1986, section 32.394, subdivision 8, is amended to read:

Subd. 8. [EXPLORATORY PRELIMINARY INSPECTIONS GRADE A INSPECTION FEES.] Any A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to learn about and acquaint producers with market Grade A requirements may make a request to the commissioner for exploratory inspections and meetings for this purpose. Upon receipt of such request, the commissioner at a convenient time shall cause such exploratory inspections to be made and such meetings to be held as are necessary to acquaint said processor and producers with such requirements. If, after such exploratory inspections are made and such meetings are held and when in the processor's opinion the processor's field service has brought producers into compliance with said requirements, said processor wishes further inspection service, the processor shall so milk or use the Grade A label must apply on a form furnished by for Grade A inspection service from the commissioner, stating the number of farms to be inspected. Such applications shall be accompanied by a fee payable to the state treasurer in an amount of not less than \$50 and not more than \$300, which fee is to be charged for preliminary inspection prior to continuous inspection, and assessments over \$50 are to be determined by charging \$1 for each farm over 50, but shall not exceed \$300 if more than 300 farms are inspected; provided that, if the plant and farms are accepted for continuous inspection, this charge shall be made only once. If the preliminary inspection discloses that the processor is eligible for use of the Grade A label on products and before the processor so labels said products, the processor shall apply for continuous inspection on a form furnished by the commissioner and shall hold a Grade A permit. Such application shall be accompanied by a fee of not less than \$100 nor more than \$500 per plant and of not less than \$15 nor more than \$50 per farm, said fee to be paid annually. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$66 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than \$33.00 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. If The commissioner deems it necessary to more nearly shall establish fees sufficient to meet 50 percent of the cost of the service, the commissioner may annually adjust the assessments within the limits set herein. No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 2. Minnesota Statutes 1986, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. [MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk, other than Grade A, who wishes to

obtain market other than Grade A milk must apply for a manufacturing grade farm certification, shall make a request to inspection from the commissioner for a farm certification inspection. A processor who requests and receives a farm certification inspection shall pay a fee to the commissioner for the certification of the milk supply. A manufacturing plant that pasteurizes milk or milk byproducts must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$33.00 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one annual inspection required for certification, an additional fee of no more than \$27.50 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee shall must be set by the commissioner in an amount necessary to meet 50 percent of the cost of the service for farm certification, which fee shall not exceed 50 percent of the fees charged for Grade A permits. No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 3. Minnesota Statutes 1986, section 32.394, subdivision 9, is amended to read:

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

The fees for services performed by the activities of this section shall must be deposited in the state treasury and shall constitute a

separate account to be known as the milk inspection service account, which is hereby created, set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and shall be in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture. There shall be appropriated additional funds to equal or exceed the amounts collected as fees under this section to support the milk inspection program.

ARTICLE 14

A resolution memorializing the President and Congress to provide fair treatment for dairy farmers.

Whereas, the family farm system has proven to be the means of food production best able to supply an ever expanding demand for food and at the same time to provide for the long-term, wide-based social, economic, and environmental concerns of our state; and

Whereas, the benefits of a healthy family farm system are shared by all citizens; and

Whereas, corporate agriculture, especially corporate dairy operations cannot be sensitive to the local needs of a richly diversified rural economy; *Now, Therefore*,

Be It Resolved, by the legislature of the State of Minnesota that Congress should enact legislation to establish price supports for dairy products at 80 percent of parity for up to 600,000 pounds of production per farm unit per year; that this level be adjusted semiannually; and that there be limits set on the importation of dairy products and substitutes including casein; and

Be It Further Resolved, that reductions in the support price for milk currently scheduled to take effect during 1987 and 1988 not be implemented; and

Be It Further Resolved, that the United States Department of Agriculture be instructed to remove regional differentials in the support price of Grade "A" milk which unfairly disadvantage Upper Midwest dairy farmers; and

Be It Further Resolved, that the Secretary of State of Minnesota be instructed to transmit copies of this resolution to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, and to the members of the United States Senate Agriculture and the United States House Agriculture Committees.

ARTICLE 15

Section 1. [CITATION.]

Sections 1 to 6 may be cited as the "wild rice industry preservation act of 1987."

Sec. 2. [FINDINGS; PURPOSE.]

The Minnesota wild rice industry is critically important to the state's long-term economic growth and stability, providing employment opportunities as well as national and international recognition for the production of this unique crop. In addition to diversifying and strengthening the agricultural economy of the state, wild rice production areas provide environmental habitats that are conducive to the reproduction of waterfowl, which is another invaluable state resource. Intense competition from wild rice producers in other states now threatens the sustenance and growth of this important industry, because a limited amount of land is available for sale in this state that contains the water necessary for the production of wild rice. It is therefore necessary to take steps to provide sufficient production areas for wild rice farmers in order to preserve this critical industry.

Sec. 3. [30.30] [WILD RICE LANDS.]

Subdivision 1. [SELECTION OF WILD RICE LANDS TO BE SOLD.] (a) The commissioner, in consultation with the commissioner of natural resources and organizations representing the wild rice industry in the state, shall select 2,500 acres of state land each year to be offered for sale to persons intending to produce wild rice. The commissioner shall give priority to land that:

(1) is adjacent to existing wild rice production areas; and

(2) has been requested by a wild rice producer to be sold for wild rice production.

(b) Wild rice land that is part of the school trust fund is exempt from selection for sale to wild rice producers.

(c) Land is not exempt from selection solely because it may be subject to mineral exploration.

Subd. 2. [WILD RICE LANDS TO BE SOLD.] (a) Land selected for wild rice production under subdivision 1 must be offered for sale by September 1 of each year.

(b) All contracts to sell land selected for wild rice production must provide an option for the state to repurchase the parcel at the initial

sales price if at least 50 percent of the parcel sold has not been developed for wild rice production within five years of the sale. The commissioner of natural resources may exercise the option to repurchase a parcel that has not been adequately developed, but must consider the market conditions affecting the supply and demand of wild rice production in the state and in the United States before exercising the option.

Subd. 3. [EXERCISE OF MINERAL RIGHTS.] If the state exercises its reserved mineral rights in land selected and sold under this section, the owner must be compensated by the state for damage to improvements and any impaired ability to grow wild rice caused by the exercise of mineral rights.

Sec. 4. [30.63] [RULES.]

The commissioners of agriculture and natural resources may adopt rules by joint agreement to implement this section.

Sec. 5. Minnesota Statutes 1986, section 92.501, subdivision 2, is amended to read:

Subd. 2. [WILD RICE LAND DESIGNATION AND DEVELOPMENT.] (a) The commissioner of natural resources and the commissioner of agriculture shall, by joint agreement, prepare a plan that designates state land for wild rice production including an inventory of the number of acres of land appropriate and suitable for wild rice development, sale, and leasing in each county. The inventory must include the number of acres suitable for wild rice development that are located on school trust fund lands. Proposed mineral exploration does not exempt land from being designated for wild rice development.

(b) The initial designation plan and inventory must be completed by December 31, 1987, and updated every five years. The designation plan and inventory must be distributed to organizations representing the wild rice industry in the state.

Sec. 6. [FIRST SALE OF SELECTED LANDS.]

Notwithstanding section 3, subdivision 2, the commissioner of natural resources shall complete the first offer and sale of selected wild rice lands by one year after the effective date of this act.

Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed July 1, 1990.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day after final enactment.

ARTICLE 16

Section 1. Minnesota Statutes 1986, section 297A.257, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION OF DISTRESSED COUNTIES.]

(a) The commissioner of energy and economic development shall annually on June 1 designate those counties which are distressed. A county is distressed if it satisfies either of the following two criteria:

(1) The county has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; or

(2) the unemployment rate for the entire county was greater than 110 percent of the state average for the 12-month period ending the previous April 30, and 20 percent or more of the county's economy, as determined by the commissioner of jobs and training, is dependent upon agriculture. At least 15 percent of all employment within a county is "farm employment." For purposes of this clause, "farm employment" consists of self-employed farmers and their employees. In making the designation under this clause, the commissioner must use the most recent data available from the United States Department of Commerce, Bureau of Economic Analysis.

If, as a result of a plant closing, layoffs or another similar event affecting a significant number of employees in the county, the commissioner has reason to believe that the average unemployment in the county will exceed ten percent during the one-year period beginning April 30, the commissioner may designate the county as distressed, notwithstanding clause (1).

(b) The commissioner shall designate a portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(1) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(2) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

(c) A county or the portion of a county designated pursuant to this subdivision shall be considered a distressed county for purposes of this section and chapter 116M.

(d) Except as otherwise specifically provided, the determination of whether a county is distressed must be made using the most current data available from the state demographer. The designation of a distressed county is effective for the 12-month period beginning July 1. A county may be designated as distressed as often as it qualifies.

(e) The authority to designate counties as distressed expires on June 30, 1989."

Amend the title accordingly

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

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 1156, A bill for an act relating to Traverse county; allowing a property tax levy for the county agricultural society.

Reported the same back with the following amendments:

Page 1, lines 7 and 8, delete ", by a four-fifths vote,"

Page 1, line 12, before the period insert "except that the property taxes levied pursuant to this section shall be included within the levy limitations under sections 275.50 to 275.56"

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. 1172, A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license,

except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending Minnesota Statutes 1986, sections 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.115, subdivision 3; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivision 3; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081, subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97C.345, subdivisions 2 and 3; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.121, subdivision 5; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [84.0911] [WILD RICE MANAGEMENT ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The wild rice management account is established as an account in the state treasury.

Subd. 2. [RECEIPTS.] Money received from the sale of wild rice licenses issued by the commissioner under section 84.091, subdivision 3, clauses (1) and (3), shall be credited to the wild rice management account.

Subd. 3. [USE OF MONEY IN ACCOUNT.] (a) Money in the wild rice management account shall be used by the commissioner for management of designated public waters to improve natural wild rice production.

(b) Money that is not appropriated from the wild rice management account does not cancel but shall remain in the wild rice management account until appropriated.

Sec. 2. Minnesota Statutes 1986, section 97A.015, subdivision 18, is amended to read:

Subd. 18. [ENFORCEMENT OFFICER.] "Enforcement officer" means the commissioner, the director of the enforcement division, a conservation officer, or a game refuge manager.

Sec. 3. Minnesota Statutes 1986, section 97A.015, subdivision 25, is amended to read:

Subd. 25. [GAME FISH.] "Game fish" means walleye, sauger, yellow perch, channel catfish, flathead catfish; members of the pike family, Esocidae, including muskellunge and northern pike; members of the sunfish family, Centrarchidae, including largemouth bass, smallmouth bass, sunfish, rock bass, white crappie, black crappie, members of the temperate bass family, Percichthyidae, including white bass and yellow bass; members of the salmon and trout subfamily, Salmoninae, including Atlantic salmon, chinook salmon, coho salmon, pink salmon, kokanee salmon, lake trout, brook trout, brown trout, rainbow (steelhead) trout, and splake; members of the paddlefish family, Polyodontidae; members of the sturgeon family, Acipenseridae, including lake sturgeon, and shovelnose sturgeon. "Game fish" includes hybrids of game fish.

Sec. 4. Minnesota Statutes 1986, section 97A.015, subdivision 43, is amended to read:

Subd. 43. [ROUGH FISH.] "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, burbot, eisee cisco, gar, goldeye, and bullhead.

Sec. 5. Minnesota Statutes 1986, section 97A.015, subdivision 45, is amended to read:

Subd. 45. [SMALL GAME.] "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit,

raccoon, lynx, bobcat, red fox and gray fox, fisher, pine marten, ~~opossum~~ opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Sec. 6. Minnesota Statutes 1986, section 97A.015, subdivision 51, is amended to read:

Subd. 51. [UNLOADED.] "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, if the magazine is in the firearm. A muzzle loading firearm with a flintlock ignition is unloaded if it does not have priming powder in a pan. A muzzle loading firearm with percussion ignition is unloaded if it does not have a percussion cap on a nipple.

Sec. 7. Minnesota Statutes 1986, section 97A.055, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The game and fish fund is established as a fund in the state treasury. The money in the fund is annually appropriated to the commissioner for the activities of the division of fish and wildlife and the division of enforcement.

Sec. 8. Minnesota Statutes 1986, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter ~~34B~~ 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraph (b).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

Sec. 9. Minnesota Statutes 1986, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivision 2, clauses (4) and (5) and subdivision 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 10. Minnesota Statutes 1986, section 97A.085, subdivision 5, is amended to read:

Subd. 5. [SPECIES GAME REFUGE FOR SPECIFIED GAME.] The commissioner may, by order, designate a species game refuge for only specified species. The game refuge must be posted accordingly.

Sec. 11. Minnesota Statutes 1986, section 97A.085, subdivision 7, is amended to read:

Subd. 7. [GAME REFUGE BOUNDARY POSTING.] (a) The designation of a state game refuge is not effective until the boundary has been posted with notices that measure at least 12 inches. The notices posted on state park boundaries must have black letters on a yellow background stating that the area is a state park. The notices on other game refuges must have black letters on a white background stating that the area is a state game refuge.

(b) The notices must be posted at intervals of not more than 500 feet or less along the boundary. The notices must also be posted at all public road entrances to the refuges, except where the boundary is also an international or state boundary in public waters. Where the boundary of a refuge extends more than 500 feet continuously through a body of water, instead of placing notices in the water, notices with the words, "Adjacent Waters Included," may be placed on the shoreline at the intersection of the boundary and the water 20 feet or less above the high water mark and at intervals of 500 feet or less along the shoreline.

(c) A certification by the commissioner or the director, or a certification filed with the commissioner or director by a conservation officer, refuge supervisor, or other authorized officer or employee, stating that the required notices have been posted is prima facie evidence of the posting.

Sec. 12. Minnesota Statutes 1986, section 97A.111, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF LICENSE.] (a) The commissioner shall investigate the application filed and may require the applicant to produce evidence of the facts stated. The commissioner shall issue a muskrat farm license to an applicant if the commissioner determines that:

(1) the applicant is the owner of the land;

(2) the applicant intends to establish and operate a muskrat farm; and

(3) the establishment of a muskrat farm in the proposed area will conserve the natural resources.

(b) The license must describe the land and certify that the licensee is entitled to use the land to breed, raise, trap, and trade muskrats. The license expires on December 31 each year but may be renewed annually at the discretion of the commissioner upon payment of the license fee.

Sec. 13. Minnesota Statutes 1986, section 97A.111, subdivision 7, is amended to read:

Subd. 7. [ANNUAL REPORT.] By March 1 31 of each year, the licensee must submit a signed report to the commissioner covering the preceding calendar license year. The report must be completed on a form furnished by the commissioner stating the license number, the number and value of muskrats killed, transported, and sold from the muskrat farm, and other information required by the commissioner.

Sec. 14. Minnesota Statutes 1986, section 97A.121, subdivision 5, is amended to read:

Subd. 5. [MARKING HARVESTED GAME.] Harvested game, except ducks that are marked in accordance with regulations of the United States Fish and Wildlife Service, must be tagged with a self-sealing tag, identifying the private shooting preserve. The commissioner shall issue the tags at a cost of 15 cents each. The tag must remain attached on the bird until while the bird is actually prepared for consumption transported.

Sec. 15. Minnesota Statutes 1986, section 97A.135, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC HUNTING AND WILDLIFE AREAS.] (a) The commissioner or the commissioner of administration shall acquire and improve land for public hunting, game refuges, and food and cover planting. The land may be acquired by a gift, lease, easement, purchase, or condemnation. At least two-thirds of the total area acquired in a county must be open to public hunting. The commissioner may designate land acquired under this subdivision as a wildlife management area for the purposes of the outdoor recreation system.

(b) The commissioner of administration may transfer money to the commissioner for acquiring ~~wetlands~~ wildlife lands to qualify for Pittman-Robertson funds. The transferred money is reappropriated to the commissioner for the ~~wetland~~ wildlife land acquisition.

Sec. 16. Minnesota Statutes 1986, section 97A.201, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT BY THE COMMISSIONER.] The commissioner shall execute and enforce the laws relating to wild animals. The commissioner may delegate execution and enforcement of the wild animal laws to the director, game refuge managers, and conservation enforcement officers.

Sec. 17. Minnesota Statutes 1986, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws, chapter 84, 105, or ~~106~~ 106A, or section 609.68 if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in court. The court must have jurisdiction within the county where the offense is alleged to have been committed.

Sec. 18. Minnesota Statutes 1986, section 97A.211, subdivision 2, is amended to read:

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws, chapter 84, 105, or ~~106~~ 106A or section 609.68 may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody.

Sec. 19. Minnesota Statutes 1986, section 97A.221, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO CONFISCATION.] (a) An enforcement officer may confiscate:

(1) wild animals, wild rice, and other aquatic vegetation taken, bought, sold, transported, or possessed in violation of the game and fish laws or chapter 84; and

(2) firearms, bows and arrows, nets, boats, lines, poles, fishing rods and tackle, lights, lanterns, snares, traps, spears, dark houses, fish houses, and wild rice harvesting equipment that are used, with the owner's knowledge to unlawfully take or transport wild animals, wild rice, or other aquatic vegetation.

(b) An enforcement officer must confiscate nets and equipment unlawfully possessed within ten miles of Lake of the Woods or Rainy Lake.

(c) Confiscated property may be disposed of, retained for use by the division, or sold at the highest price obtainable as prescribed by the commissioner.

Sec. 20. Minnesota Statutes 1986, section 97A.255, subdivision 2, is amended to read:

Subd. 2. [BURDEN OF PROOF.] In a prosecution that alleges animals have been taken, bought, sold, transported, or possessed in violation of the game and fish laws, the burden of establishing that the animals were domesticated, reared in a private preserve, raised in a private fish hatchery, taken for scientific purposes, ~~or lawfully taken outside of this state, or received as a gift,~~ is on the defendant.

Sec. 21. Minnesota Statutes 1986, section 97A.311, subdivision 4, is amended to read:

Subd. 4. [SUSPENSION OF LICENSE AGENT SUSPENSION.] In addition to other penalties, a license agent that violates a law, rule, or order of the commissioner relating to license sales, handling, or accounting forfeits the right to sell and handle licenses for a period of one year.

Sec. 22. Minnesota Statutes 1986, section 97A.315, subdivision 2, is amended to read:

Subd. 2. [LICENSE REVOCATIONS.] (a) If a person is convicted ~~under subdivision 1~~ of trespassing ~~under subdivision 1~~ while exercising or attempting to exercise an activity licensed under the game

and fish laws or requiring snowmobile registration under section 84.82, the applicable license and registration are null and void.

(b) A person convicted of a gross misdemeanor under subdivision 1, paragraph (b), may not be issued a license to take game for two years after the conviction.

Sec. 23. Minnesota Statutes 1986, section 97A.325, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR FOR SALES OF \$300 OR MORE.] (a) A person that buys or sells protected wild animals in violation of the game and fish laws where the sales total \$300 or more is guilty of a gross misdemeanor. The person is subject to the penalty in section ~~97A.301~~ 97A.301, subdivision 2, except that the fine is may not be less than \$3,000 or more than \$10,000.

(b) Licenses possessed by a person convicted under this subdivision are null and void and the person may not take wild animals for three years after the conviction.

Sec. 24. Minnesota Statutes 1986, section 97A.331, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WHILE INTOXICATED OR USING NARCOTIC DRUGS UNDER THE INFLUENCE OF ALCOHOL OR A CONTROLLED SUBSTANCE.] A person that violates a the provision of section 97B.065 relating to hunting while visibly intoxicated or under the influence of alcohol or a narcotic drug under section 97B.065, controlled substance is guilty of a gross misdemeanor.

Sec. 25. Minnesota Statutes 1986, section 97A.405, subdivision 2, is amended to read:

Subd. 2. [PERSONAL POSSESSION.] A person to whom a license is issued must have the license in personal possession while acting under the license and while traveling ~~to and~~ from the area where the licensed activity is performed. If possession of a license is required, a person must exhibit the proper license when requested by a conservation officer or peace officer. A receipt for license fees, a copy of a license, or evidence showing the issuance of a license does not entitle a licensee to exercise the rights or privileges conferred by a license.

Sec. 26. Minnesota Statutes 1986, section 97A.415, subdivision 1, is amended to read:

Subdivision 1. [ONE LICENSE PER PERSON.] Only one trap-ping and big game license of each kind may be issued to a person in

a license year, ~~except the nonresident short-term angling license,~~ unless authorized by commissioner's order.

Sec. 27. Minnesota Statutes 1986, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) the conviction occurs under a license not described in clause (1) or (2).

(b) Except for big game licenses and as otherwise provided in this section, and for one year after the conviction, the person may not obtain that the kind of license relating to the game and fish law violation.

Sec. 28. Minnesota Statutes 1986, section 97A.425, is amended to read:

97A.425 [RECORD AND REPORTING REQUIREMENTS FOR DEALERS, TANNERS, AND TAXIDERMISTS.]

Subdivision 1. [REQUIREMENT.] A person required to have a license under the game and fish laws to buy or sell wild animals, to tan or dress raw furs, or to mount specimens of wild animals, must keep complete records in a book of all transactions and activities covered by the license and submit reports to the commissioner.

Subd. 2. [RECORDS.] (a) The records must show:

(1) the names and addresses of persons from whom wild animals were obtained and to whom they were transferred;

(2) the dates of receipt, shipment, and sale of wild animals;

(3) detailed descriptions of the number and type of wild animals purchased, sold, and shipped;

(4) serial numbers of seals, tags, or permits required to be attached to the wild animals; and

(5) trapping license numbers for protected fur-bearing animals, unless the trapper is exempt from the license requirement, which must be noted.

(b) A licensed fur dealer, buying for one employer at the employer's place of business is not required to keep separate records if the employer notifies the commissioner in writing that the employer will account for the fur dealer.

(c) The records required under this section must be available for inspection by the commissioner, the director, or their agents at all reasonable times. The records must be preserved and available for two years after the expiration of a license that required them.

(d) Records required of persons licensed to buy or sell wild animals, or to tan or dress raw furs, must be kept in a book supplied by the commissioner.

Subd. 3. [REPORTS.] Except for persons licensed to mount specimens of wild animals, an annual ~~notarized~~ report covering the preceding calendar license year must be submitted to the commissioner by January March 15. The commissioner may require other reports for statistical purposes. The reports must be on forms supplied by the commissioner.

Sec. 29. Minnesota Statutes 1986, section 97A.445, subdivision 3, is amended to read:

Subd. 3. [ANGLING AND SPEARING; DISABLED RAILROAD AND POSTAL RETIREES.] A license is not required to take fish by angling or spearing for a resident that is:

(1) receiving aid under the federal Railroad Retirement Act of 1937, United States Code ~~Annotated~~, title 45, section 228b(a)5; or

(2) a former employee of the United States Postal Service receiving disability pay under United States Code ~~Annotated~~, title 4, section 8337.

Sec. 30. Minnesota Statutes 1986, section 97A.451, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTS OVER AGE 65; FISHING.] A resident age 65 or over may take fish by angling or spearing without a license if the resident has a valid driver's license, Minnesota identification card, or other document showing age and residency in possession while taking fish and while traveling ~~to and~~ from the location where fish are taken. The person must exhibit the proof of age at the request of a conservation officer or peace officer.

Sec. 31. Minnesota Statutes 1986, section 97A.451, subdivision 5, is amended to read:

Subd. 5. [NONRESIDENTS UNDER AGE 16; FISHING WITH PARENTS.] A nonresident under the age of 16 may take fish by angling without a license if a parent or guardian has a ~~nonresident~~ fishing license. Fish taken by a nonresident under the age of 16 without a license must be included in the limit of the parent or guardian. A nonresident under age 16 may purchase a nonresident fishing license, take fish by angling, and possess a limit of fish.

Sec. 32. Minnesota Statutes 1986, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, shall be

- (1) to take fish by angling, \$16;
- (2) to take fish by angling limited to seven consecutive days, \$13;
- (3) to take fish by angling for three consecutive days, \$10; and
- (4) to take fish by angling for a combined license for a family, \$27.50.

Sec. 33. Minnesota Statutes 1986, section 97A.481, is amended to read:

97A.481 [LICENSE APPLICATIONS UNDER OATH.]

All information required on a license application form must be furnished. The application must be made in writing and under oath. ~~A person authorized to issue licenses has the authority to administer oaths to applicants, and a license may not be issued without actually administering the oath.~~

Sec. 34. Minnesota Statutes 1986, section 97A.505, subdivision 4, is amended to read:

Subd. 4. [STORAGE OF PROTECTED WILD ANIMALS.] A person that stores protected wild animals for others must plainly mark the package, in ink, with the name and address of the owner, the license number of the person taking the animal, and the number and species in the package. A person may not use a commercial cold storage warehouse for protected wild animals, except lawfully taken fish and furs.

Sec. 35. Minnesota Statutes 1986, section 97A.505, subdivision 5, is amended to read:

Subd. 5. [LICENSE NOT REQUIRED FOR ANIMALS ACQUIRED BY GIFT.] Lawfully taken protected wild animals may be transferred by gift. A person is not required to have a license to possess and transport protected wild animals acquired by gift if the person has written proof as prescribed by the commissioner. If wild animals are transported out of the county where the recipient resides, the recipient must:

(1) ~~attach a tag marked in ink, with the name and address of the owner and the license number of the person taking the animals; or~~

(2) ~~furnish an affidavit showing the name and address of the donor.~~

Sec. 36. Minnesota Statutes 1986, section 97A.535, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION PERIOD RESTRICTED.] A person may transport ~~one~~ deer, ~~one~~ bear, or ~~one~~ moose during the open season and the two days following the season, and afterwards as prescribed by the commissioner.

Sec. 37. Minnesota Statutes 1986, section 97A.535, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTATION BY PERSON OTHER THAN LICENSEE.] A person other than the licensee may transport deer, bear, or moose that the licensee has registered as prescribed by the commissioner. ~~The person must transport the animal by the most direct route. A tag must be attached to the animal and marked in ink with the address, license number, signature of the licensee, and the locations from which and to which the animal is being transported.~~

Sec. 38. Minnesota Statutes 1986, section 97A.545, subdivision 4, is amended to read:

Subd. 4. [UNDRESSED GAME BIRDS TAKEN IN ADJACENT STATES OUTSIDE OF THIS STATE.] (a) A person may transport into the state ~~ressed~~ undressed game birds that are lawfully taken and possessed in ~~adjacent states~~ outside of this state.

(b) A resident may ship the undressed game birds by common carrier within the state. A nonresident may ship the undressed game birds out of the state by common carrier. Each shipment must be tagged or sealed by a conservation officer as prescribed by the commissioner.

Sec. 39. Minnesota Statutes 1986, section 97A.551, subdivision 3, is amended to read:

Subd. 3. [SHIPPING ONE FISH TO ANY PERSON.] A person that has a license to take fish may ~~ship one~~ make three shipments of fish in a license year to any person within or out of the state after obtaining a permit for each shipment from the commissioner. A shipment may not contain more than a possession limit of one species of fish per licensee.

Sec. 40. Minnesota Statutes 1986, section 97B.001, subdivision 3, is amended to read:

Subd. 3. [ENTERING LAND PROHIBITED AFTER NOTICE.] Except as provided in ~~subdivisions 5 and~~ subdivision 6, a person may not enter any land to take a wild animal after being notified not to do so orally by the owner, occupant, or lessee.

Sec. 41. Minnesota Statutes 1986, section 97B.001, subdivision 5, is amended to read:

Subd. 5. [RETRIEVING WOUNDED GAME FROM AGRICULTURAL LAND.] Except as provided in subdivision 3, a hunter, on foot, may retrieve wounded game, during the open season for the game, from agricultural land that is not posted under subdivision 4, without permission of the landowner. The hunter must leave the land immediately after retrieving the wounded game.

Sec. 42. Minnesota Statutes 1986, section 97B.001, subdivision 7, is amended to read:

Subd. 7. [TAKING WITH FIREARMS IN CERTAIN AREAS.] (a) A person may not take a wild animal with a firearm within 500 feet of a building occupied by a human or livestock without the written permission of the owner or occupant:

(1) on another person's private agricultural land; or

(2) on a public right-of-way.

(b) A person may not take a wild animal with a firearm without the ~~written~~ permission of the owner within 500 feet of a stockade or corral containing livestock.

(c) A person may not take a wild animal with a firearm:

(1) on land other than agricultural land within 200 feet of a building occupied by a human without the oral permission of the owner or occupant of the building; ~~or~~

(2) ~~within 500 feet of a burning area.~~

Sec. 43. Minnesota Statutes 1986, section 97B.041, is amended to read:

97B.041 [POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.]

A person may not possess a firearm or ammunition outdoors during the period beginning the tenth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) ~~a~~ an unloaded firearm that is ~~unloaded and~~ in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and ~~only~~ shells containing No. 4 buckshot or smaller diameter lead shot or steel shot;

(4) a handgun or rifle and only short, long, and long rifle cartridges that are caliber of .22 inches;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

Sec. 44. Minnesota Statutes 1986, section 97B.061, is amended to read:

97B.061 [REPORTS AND RECORDS.]

If requested by the commissioner, a person who has taken game must submit a report to the commissioner on a furnished form before ~~February 1~~ March 15, stating the number and kind of each game animal taken during the preceding ~~calendar~~ license year.

Sec. 45. Minnesota Statutes 1986, section 97B.065, is amended to read:

97B.065 [HUNTING WHILE INTOXICATED OR USING NARCOTICS PROHIBITED UNDER THE INFLUENCE OF ALCOHOL OR A CONTROLLED SUBSTANCE.]

A person may not take protected wild animals with a firearm or by archery while ~~visibly intoxicated or under the influence of narcotics~~ alcohol or a controlled substance.

Sec. 46. Minnesota Statutes 1986, section 97B.081, subdivision 1, is amended to read:

Subdivision 1. [WITH FIREARMS AND BOWS.] (a) A person may not cast the rays of a spotlight, headlight, or other artificial light on a highway, or in a field, woodland, or forest, to spot, locate, or take a wild animal, while having in possession, either individually or as one of a group of persons, a firearm, bow, or other implement that could be used to kill big game.

(b) This subdivision does not apply to a firearm that is:

(1) unloaded;

(2) in a gun case expressly made to contain a firearm that fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened without any portion of the firearm exposed; and

(3) in the closed trunk of a motor vehicle.

(c) This subdivision does not apply to a bow that is:

(1) completely encased or unstrung; and

(2) in the closed trunk of a motor vehicle.

(d) If the motor vehicle under paragraph (b) or (c) does not have a trunk, the firearm or bow must be placed in the rearmost location of the vehicle.

(e) This subdivision does not apply to persons taking raccoons under section 97B.621, subdivision 3.

Sec. 47. Minnesota Statutes 1986, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.

Sec. 48. Minnesota Statutes 1986, section 97B.605, is amended to read:

97B.605 [COMMISSIONER MAY RESTRICT TAKING OF CERTAIN SMALL GAME ANIMALS.]

The commissioner may prescribe restrictions on and designate areas where gray and fox squirrels_; cottontail and jack rabbits_; snowshoe hare_; raccoon_; lynx_; bobcat_; red fox and gray fox_; fishers_; fisher, pine marten, opossum, and badger may be taken and possessed.

Sec. 49. Minnesota Statutes 1986, section 97B.635, is amended to read:

97B.635 [FISHER; BADGER; ~~OPPOSSUM~~ OPOSSUM; AND PINE MARTEN.]

Based upon population estimates, the commissioner may set the open season for fisher, badger, ~~oppossum~~ opossum, and pine marten.

Sec. 50. Minnesota Statutes 1986, section 97B.655, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PERMIT FOR TAKING PROTECTED WILD ANIMALS.] The commissioner may issue special permits under section 97A.401, subdivision 5, to take protected wild animals that are damaging property. A person must have the required license and seals to take beaver under the permit.

Sec. 51. Minnesota Statutes 1986, section 97B.701, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED METHODS OF TAKING.] A person may not take protected birds:

- (1) with a trap, net, or snare;
- (2) using bird lime;
- (3) with a swivel or set gun; or

(4) by dragging a rope, wire, or other device across a field; or

(5) by using fire.

Sec. 52. Minnesota Statutes 1986, section 97C.345, subdivision 2, is amended to read:

Subd. 2. [POSSESSION.] (a) Except as specifically authorized, a person may not possess a spear, fish trap, net, dip net, seine, or other device capable of taking fish on or near any waters. Possession includes personal possession and in a vehicle.

(b) A person may possess spears, dip nets, bows and arrows, and spear guns allowed under section 97C.381 on or near waters between sunrise and sunset ~~after April 30~~ between May 1 and February 15.

Sec. 53. Minnesota Statutes 1986, section 97C.345, subdivision 3, is amended to read:

Subd. 3. [DIP NETS.] A person may possess and use a dip net between one hour before sunrise and one hour after sunset ~~after April 30~~ between May 1 and February 15.

Sec. 54. [REPEALER.]

Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.255, subdivision 3; 97A.505, subdivisions 1, 3, and 6; and 97A.551, subdivision 1, are repealed.

ARTICLE 2

CROSS REFERENCE AMENDMENTS

Section 1. Minnesota Statutes 1986, section 84.0894, is amended to read:

84.0894 [ENFORCEMENT OF AQUATIC PLANTS AND ENDANGERED SPECIES.]

An enforcement officer shall enforce a violation of ~~Laws 1986, chapter 386, article 4, sections 9 to 13~~ 84.0895, 84.091, 84.092, 84.093, and 84.152 in the same manner as a violation of the game and fish laws.

Sec. 2. Minnesota Statutes 1986, section 84.928, subdivision 7, is amended to read:

Subd. 7. [LIABILITY TO ROAD OR TRAIL AUTHORITY.] When a road, trail, or highway right-of-way is used as provided by sections 84.92 to 84.928, 85.018, ~~100.273~~, ~~subdivision 9~~, and 296.16, the authority having jurisdiction and the officers and employees of the authority are exempt from liability for any claim by any person arising from that use. This section shall have no effect on the liability of any party or organization having responsibility for the maintenance of a trail or roadway for all-terrain vehicles.

Sec. 3. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION CONSIDERATIONS.] In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 97.488 84.0895;

(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

Sec. 4. Minnesota Statutes 1986, section 84.944, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in ~~section 97.48; subdivision 11, 26, or 27, 101.42, subdivision 9, or 101.475~~ sections 97A.101, 97A.125, 97C.001, 97C.011, and 97C.021.

Sec. 5. Minnesota Statutes 1986, section 84.944, subdivision 3, is amended to read:

Subd. 3. [COUNTY ACQUISITION APPROVAL.] The commissioner must follow the procedures under section 97.481 97A.145,

subdivision 2, for critical natural habitat acquired under this section.

Sec. 6. Minnesota Statutes 1986, section 85.41, subdivision 2, is amended to read:

Subd. 2. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of annual cross country ski licenses and daily permits. A county auditor may appoint subagents within the county or within adjacent counties to sell licenses and permits. Upon appointment the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent at any time. Upon demand of the commissioner, the auditor shall revoke a subagent's appointment. The auditor shall furnish license and permit blanks on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the blanks to be consigned to that subagent. The county auditor shall be responsible for all blanks issued to, and user fees received by agents, except in St. Louis county or in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed upon the county auditor are imposed upon the county. The commissioner may promulgate additional rules pursuant to as provided in section ~~98.50~~, subdivision 2 ~~97A.485~~, subdivision 11.

Any resident desiring to sell annual cross country ski licenses and daily permits may either purchase for cash or obtain on consignment license and permit blanks from a county auditor in groups of not less than ten individual blanks. In selling licenses, the resident shall be deemed a subagent of the county auditor and the commissioner, and shall observe all rules promulgated by the commissioner for the accounting and handling of licenses pursuant to section ~~98.50~~, subdivision 10 ~~97A.485~~.

The county auditor shall promptly deposit all monies received from the sale of licenses and permits with the county treasurer, and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price to each annual licensee, exclusive of the issuing fee, for each annual license sold or consigned by the auditor and subsequently sold to a licensee during the accounting period. The county auditor shall retain as a commission four percent of all annual license fees, excluding the issuing fee for licenses consigned to subagents.

Unsold blanks in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable.

Sec. 7. Minnesota Statutes 1986, section 106A.085, subdivision 1, is amended to read:

Subdivision 1. [WARRANTS AND ARRESTS.] ~~The commissioner, director of the fish and game division, game refuge patrol officers, and conservation officers~~ An enforcement officer, as defined in section 97A.015, subdivision 18, may execute and serve warrants, and arrest persons detected in actual violation of sections 106A.005 to 106A.811 as provided in ~~section 97.50, subdivision 1~~ sections 97A.205 and 97A.211.

Sec. 8. Minnesota Statutes 1986, section 106A.401, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER MUST RECOGNIZE DRAINAGE OUTLET PROCEEDINGS WHEN PURCHASING WETLANDS.] If the commissioner purchases wetlands under section ~~97.481~~ 97A.145, the commissioner must recognize that when a majority of landowners or owners of a majority of the land in the watershed, petition for a drainage outlet, the state should not interfere with or unnecessarily delay the drainage proceedings if the proceedings are conducted according to this chapter.

Sec. 9. Minnesota Statutes 1986, section 106A.615, subdivision 6, is amended to read:

Subd. 6. [ASSESSMENTS ON WILDLIFE LANDS TO BE PAID FROM WILDLIFE ACQUISITION FUND.] An assessment against state land acquired for wildlife habitat shall be paid from the wildlife acquisition fund as provided in section ~~97.484~~ 97A.071, subdivision 4.

Sec. 10. Minnesota Statutes 1986, section 144.95, subdivision 4, is amended to read:

Subd. 4. [RESEARCH TRIALS.] Research trials of mosquito management methods and materials are subject to the following laws and rules unless a specific written exemption, license, or waiver is granted; sections ~~97.48, 97.488, 98.48~~ 84.0895, 84.092, 97A.045, subdivision 1, 105.38, 105.41, and 105.463; and Minnesota Rules, chapters 1505, 6115, 6120, 6134, and 6140.

Sec. 11. Minnesota Statutes 1986, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for but not limited to the following purposes, among others:

(a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) Assessments related to violations described in section 97.49, ~~subdivision 5~~ 97A.065, subdivision 2, are appropriated to provide peace officer training for persons employed by the commissioner of natural resources who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214."

Delete the title and insert:

"A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license, except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending

Minnesota Statutes 1986, sections 84.0894; 84.928, subdivision 7; 84.944, subdivisions 1, 2, and 3; 85.41, subdivision 2; 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.121, subdivision 5; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.255, subdivision 2; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081, subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97B.701, subdivision 2; 97C.345, subdivisions 2 and 3; 106A.085, subdivision 1; 106A.401, subdivision 1; 106A.615, subdivision 6; 144.95, subdivision 4; and 626.861, subdivision 4; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.255, subdivision 3; 97A.505, subdivisions 1, 3, and 6; 97A.551, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 1302, A bill for an act relating to Itasca county; permitting the county to levy a tax for economic development.

Reported the same back with the following amendments:

Page 1, delete lines 11 and 12 and insert "is subject to the general limits on"

Page 1, line 14, delete "or other law"

Pages 1 and 2, delete section 2

Page 2, line 18, delete "3" and insert "2"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 508, 867, 1078, 1156, 1172 and 1302 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Schreiber, Voss, Morrison, Minne and Pauly introduced:

H. F. No. 1640, A bill for an act relating to tax levy; abolishing certain mill rate or limitation adjustments; amending Minnesota Statutes 1986, sections 124A.02, subdivision 3a; and 475.53, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 275; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49.

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

Begich, McEachern, Kinkel, Simoneau and Bishop introduced:

H. F. No. 1641, A bill for an act relating to consumer protection; requiring motor vehicle manufacturers to supply a temporary replacement vehicle or to reimburse vehicle owners for rental car expenses under certain circumstances; providing an expedited civil remedy; amending Minnesota Statutes 1986, section 325F.665, subdivisions 2 and 6.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Nelson, D.; Osthoff; Wagenius and Stanius introduced:

H. A. No. 30, A proposal to study Twin Cities Metropolitan Area air quality attainment strategies.

The advisory was referred to the Committee on Metropolitan Affairs.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 830, A bill for an act relating to state energy contracts; imposing additional requirements on bidders for state energy efficiency installment purchase contracts; amending Minnesota Statutes 1986, section 16B.16, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 29, A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1986, section 169.685, subdivision 5, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 29 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 29, A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1986, section 169.685, subdivision 5, and by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Lasley	Orenstein	Simoneau
Anderson, R.	Greenfield	Lieder	Osthoff	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Marsh	Ozment	Sparby
Beard	Haukoos	McEachern	Pappas	Steensma
Begich	Heap	McKasy	Pauly	Sviggum
Bennett	Himle	McLaughlin	Pelowski	Swenson
Bertram	Jaros	Milbert	Peterson	Tjornhom
Bishop	Jefferson	Minne	Price	Tompkins
Blatz	Jennings	Morrison	Quist	Trimble
Boo	Johnson, A.	Munger	Rest	Tunheim
Burger	Johnson, R.	Murphy	Rice	Uphus
Carlson, L.	Johnson, V.	Nelson, C.	Riveness	Vanasek
Carruthers	Kalis	Nelson, D.	Rodosovich	Voss
Clark	Kelly	Nelson, K.	Rose	Wagenius
Cooper	Kelso	Neuenschwander	Rukavina	Waltman
Dauner	Kinkel	O'Connor	Sarna	Welle
DeBlick	Kludt	Olsen, S.	Scheid	Wenzel
Dille	Knuth	Olson, E.	Seaberg	Winter
Dorn	Krueger	Olson, K.	Segal	Wynia
Forsythe	Larsen	Omann	Shaver	Spk. Norton

Those who voted in the negative were:

Carlson, D.	Jacobs	Miller	Reding	Stanius
Clausnitzer	Jensen	Onnen	Richter	Thiede
Dempsey	Kostohryz	Poppenhagen	Schafer	Valento
Frerichs	McDonald	Quinn	Schoenfeld	
Hugoson	McPherson	Redalen	Schreiber	

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

Skoglund moved that the name of Simoneau be added as an author on H. F. No. 29. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 823, A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Gutknecht moved that the House concur in the Senate amendments to H. F. No. 823 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 823, A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. Nos. 183, 225, 353, 751, 1114, 1152, 897, 1072, 1183, 1237, 385, 79, 578, 1, 461, 948, 1053, 605, 833 and 1516.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 183, 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.

The bill was read for the first time.

Kinkel moved that S. F. No. 183 and H. F. No. 268, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 225, 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; 366.01, by adding a subdivision; 367.03; 367.33, subdivisions 1, 4, and 5; and 471.96; repealing Minnesota Statutes 1986, section 365.06.

The bill was read for the first time.

Battaglia moved that S. F. No. 225 and H. F. No. 226, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 353, A bill for an act relating to metropolitan water management; authorizing metropolitan counties to adopt ground water plans; relating to notice procedures in certain counties; amending Minnesota Statutes 1986, sections 112.53, subdivision 2; 473.875; 473.876, by adding subdivisions; 473.878, subdivisions 3, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time.

Nelson, D., moved that S. F. No. 353 and H. F. No. 373, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 751, A bill for an act relating to financial institutions; authorizing the deposit of trust funds received by real estate brokers or salespersons in savings and loan associations and credit unions; amending Minnesota Statutes 1986, sections 51A.23, subdivision 1; 52.04; 82.17, subdivision 6; and 82.24, subdivisions 1, 2, and 6.

The bill was read for the first time.

Scheid moved that S. F. No. 751 and H. F. No. 884, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1114, A bill for an act relating to liquor; limitations on rules of the commissioner of public safety; items which may be sold in exclusive liquor stores; regulating sales of fermented malt beverages; amending Minnesota Statutes 1986, sections 299A.02, subdivision 3; and 340A.101, subdivision 10; repealing Minnesota Statutes 1986, sections 34.119; 34.12; 34.13; and 34.14.

The bill was read for the first time.

Jacobs moved that S. F. No. 1114 and H. F. No. 1148, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1152, A bill for an act relating to alcoholic beverages; limiting imports by individuals; maximum volume for volume prices; purchases by delinquent licensees; restricting employment of minors in nonintoxicating liquor premises; providing for inspections; amending Minnesota Statutes 1986, sections 297C.09; 340A.302, subdivision 1; 340A.312, subdivision 2; 340A.318, subdivisions 1 and 3; and 340A.411, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time.

Jacobs moved that S. F. No. 1152 and H. F. No. 1375, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 897, A bill for an act relating to liquor; requiring nondiscriminatory prices for sale to retailers; repealing the law requiring filing and maintenance of lists of wholesale prices; amending Minnesota Statutes 1986, section 340A.307, by adding a subdivision; repealing Minnesota Statutes 1986, section 340A.313.

The bill was read for the first time.

Jacobs moved that S. F. No. 897 and H. F. No. 895, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1072, A bill for an act relating to utilities; providing for initial and continuing education of public utilities commissioners; lengthening the time period for preparation for a hearing on territorial disputes; raising dollar limit on value of property that public utility may transfer without commission approval; amending Minnesota Statutes 1986, sections 216A.03, by adding subdivisions; 216B.43; and 216B.50, subdivision 1.

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

S. F. No. 1183, A bill for an act relating to alcoholic beverages; authorizing the city of Minneapolis to issue an on-sale liquor license to the American Swedish Institute.

The bill was read for the first time.

Schreiber moved that S. F. No. 1183 and H. F. No. 1562, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1237, A bill for an act relating to employment; requiring employers to notify employees of a lapse or discontinuance of employee health plans; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

S. F. No. 385, A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license, except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict

the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending Minnesota Statutes 1986, sections 84.0894; 84.928, subdivision 7; 84.944, subdivisions 1, 2, and 3; 85.41, subdivision 2; 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.115, subdivision 3; 97A.121, subdivision 5; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.255, subdivision 2; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivision 3; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081, subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97B.701, subdivision 2; 97C.345, subdivisions 2 and 3; 106A.085, subdivision 1; 106A.401, subdivision 1; 106A.615, subdivision 6; 144.95, subdivision 4; and 626.861, subdivision 4; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; 97A.551, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the first time.

Trimble moved that S. F. No. 385 and H. F. No. 1172, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 79, A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01; and 319A.02; proposing coding for new law in Minnesota Statutes, chapter 153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

The bill was read for the first time.

Clark moved that S. F. No. 79 and H. F. No. 1008, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 578, 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.

The bill was read for the first time.

Carruthers moved that S. F. No. 578 and H. F. No. 1392, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1, A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; providing a program for revitalization of the cities of St. Paul and Minneapolis; creating a program for funding economic development projects in the taconite tax relief area; permitting investment of earnings of the northeast Minnesota economic protection trust in venture capital enterprises; appropriating money; amending Minnesota Statutes 1986, sections 15.039, by adding a subdivision; 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.05, subdivisions 1 and 2; 41A.08; 116.16, subdivisions 2, 4, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1, and by adding a subdivision; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 281.17; 298.292; 298.296, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1;

462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; 462.398; and 462.445, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 116.167; 116J.951; 116J.961; 116J.965; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; 472.13, subdivisions 2, 3, and 4; and Laws 1969, chapters 833 and 984.

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

S. F. No. 461, 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.

The bill was read for the first time.

Kinkel moved that S. F. No. 461 and H. F. No. 403, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 948, A bill for an act relating to crimes; permitting evidence showing a tendency to fabricate allegations of sexual assault; requiring three days' notice of intent to introduce evidence of victim's prior sexual conduct; amending Minnesota Statutes 1986, section 609.347, subdivisions 3, 4, and 6.

The bill was read for the first time.

Greenfield moved that S. F. No. 948 and H. F. No. 1069, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1053, A bill for an act relating to alcoholic beverages; providing for the licensing of low-volume brewers; allowing them to be granted an on-sale intoxicating liquor or nonintoxicating malt liquor license; amending Minnesota Statutes 1986, section 340A.301, subdivisions 6 and 7.

The bill was read for the first time.

Olsen, S., moved that S. F. No. 1053 and H. F. No. 1265, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 605, A bill for an act relating to crimes; defining the crime of using police radios while committing a criminal act; prescribing penalties; amending Minnesota Statutes 1986, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Bertram moved that S. F. No. 605 and H. F. No. 1619, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 833, 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.

The bill was read for the first time.

Stanis moved that S. F. No. 833 and H. F. No. 828, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1516, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 138.65; 138.91, by adding a subdivision; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; amending Laws 1975, chapter 235, section 2, as amended.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Anderson, G., moved that the rule therein be sus-

pending and an urgency be declared so that S. F. No. 1516 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the Rules of the House be so far suspended that S. F. No. 1516 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1516 was read for the second time.

S. F. No. 1516 was reported to the House.

Rice moved to amend S. F. No. 1516, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1987", "1988", and "1989", where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1987, June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1987	1988	1989	TOTAL
General	\$1,089,200	\$ 88,729,600	\$ 88,162,500	\$ 177,981,300
Special Revenue		4,310,400	4,660,400	8,970,800
Airports		10,890,100	11,707,000	22,597,100
M.S.A.S.		59,500,000	60,000,000	119,500,000
C.S.A.H.		186,000,000	187,400,000	373,400,000
Tr. Hwy.		657,638,400	653,902,000	1,311,540,400
Hwy. User		8,968,600	9,012,100	17,980,700
Transit Assistance		5,747,500	5,747,500	11,495,000
Motor Vehicle Transfer		868,800	868,800	1,737,600
TOTAL	\$1,089,200	\$1,022,653,400	\$1,021,460,300	\$2,045,202,900

APPROPRIATIONS
Available for the Year
Ending June 30
1988 1989

Sec. 2. TRANSPORTATION

Subdivision 1. Total

Appropriation	\$865,537,600	\$864,563,900
1988	1989	
Approved Complement-		
4,656	4,654	
General-		
15	12	
State Airports-		
40	40	
Trunk Highway-		
4,585	4,586	
Federal-		
16	16	

The appropriations in this section are from the trunk highway fund, except where another fund is named.

Summary by Fund

General

\$ 4,492,200 \$ 4,377,200

Airports

\$ 10,890,100 \$ 11,707,000

M.S.A.S.

\$ 59,500,000 \$ 60,000,000

C.S.A.H.

\$186,000,000 \$187,400,000

Trunk Highway

\$602,639,000 \$599,063,400

Transit Assistance

\$ 1,147,500 \$ 1,147,500

Motor Vehicle Transfer

\$ 868,800 \$ 868,800

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

	1988	1989
Subd. 2. Highway Development	\$ 602,864,700	\$ 603,350,900
Summary by Fund		
M.S.A.S.		
\$ 59,500,000	\$ 60,000,000	
C.S.A.H.		
\$186,000,000	\$187,400,000	
Trunk Highway		
\$356,495,900	\$355,082,100	
Motor Vehicle Transfer		
\$ 868,800	\$ 868,800	
(a) Trunk Highway Development		
1988	1989	
\$346,275,300	\$346,275,300	
Summary by Fund		
Trunk Highway		
\$345,406,500	\$345,406,500	
Motor Vehicle Transfer		
\$868,800	\$868,800	
It is estimated that the appropriation from the trunk highway fund will be funded as follows:		
Federal Highway Aid		
\$222,000,000	\$207,000,000	
Highway User Taxes		
\$123,406,500	\$138,406,500	
The commissioner of transportation shall notify the chairman of the senate finance committee and chairman of the house appropriations committee promptly of any events that should cause these estimates to change.		
This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.		
(b) County State Aids		
\$186,000,000	\$187,400,000	

	1988	1989
\$		\$

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$59,500,000	\$60,000,000
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This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(d) Highway Debt Service

\$11,089,400	\$9,675,600
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For transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

Subd. 3. Highway Operations

170,570,600	169,738,700
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The amounts that may be spent from this appropriation for each activity are as follows:

	\$	1988	\$	1989
(a) Maintenance				
	\$119,967,300		\$119,719,100	
(b) Construction Support				
	\$50,603,300		\$50,019,600	
Subd. 4. Technical Services		40,513,200		39,942,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Program Delivery				
	\$37,126,200		\$36,564,400	
(b) State Aid Technical Assistance				
	\$911,900		\$909,900	
(c) Electronic Communications				
	\$2,475,100		\$2,467,700	
Subd. 5. Non-Metropolitan Transit Assistance		4,912,500		4,912,500

Summary by Fund

General

\$3,765,000 \$3,765,000

Transit Assistance

\$1,147,500 \$1,147,500

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 6. Program Management 7,330,300 7,217,000

Summary by Fund

General

\$683,600 \$565,900

Trunk Highway

\$6,646,700 \$6,651,100

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Highway Programs				
	\$1,789,100		\$1,784,600	

	\$	1988	\$	1989
Summary by Fund				

General

\$70,900	\$70,900
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Trunk Highway

\$1,718,200	\$1,713,700
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\$225,000 the first year and \$225,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

(b) Motor Carrier Safety and Compliance

\$1,062,200	\$1,059,600
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(c) Railroads and Waterways

\$908,200	\$905,900
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Summary by Fund

General

\$233,600	\$233,300
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Trunk Highway

\$674,600	\$672,600
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(d) Transit Administration

\$594,000	\$476,500
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Summary by Fund

General

\$379,100	\$261,700
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Trunk Highway

\$214,900	\$214,800
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(e) Transportation Data, Research, and Analysis

\$2,976,800	\$2,990,400
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	1988	1989
	\$	\$
Subd. 7. General Support Services	28,600,700	27,835,800

Summary by Fund

General

\$43,600	\$46,300
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Airports

\$144,500	\$140,000
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Trunk Highway

\$28,412,600	\$27,649,500
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Finance and Administration

\$8,556,600	\$8,530,500
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(b) General Services

\$7,383,400	\$7,453,300
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Summary by Fund

General

\$38,900	\$41,600
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Airports

\$78,800	\$83,100
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Trunk Highway

\$7,265,700	\$7,328,600
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(c) Equipment

\$11,672,500	\$10,863,800
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General

\$4,700	\$4,700
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Airports

\$65,700	\$56,900
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Trunk Highway

\$11,602,100	\$10,802,200
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	1988	1989
	\$	\$
(d) Legal Services		
\$988,200	\$988,200	
This appropriation is for the purchase of legal services from or through the attorney general.		
Subd. 8. Aeronautics	10,745,600	11,567,000
The amounts that may be spent from this appropriation for each activity are as follows:		
(a) Aeronautics Operations		
\$1,089,500	\$1,156,800	
(b) Airport Development and Assistance		
\$9,552,000	\$10,306,100	

\$1,563,700 the first year and \$1,546,600 the second year are for navigational aids.

\$4,828,800 the first year and \$5,689,100 the second year are for airport construction grants.

\$1,713,000 the first year and \$1,713,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

	1988	1989
\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.	\$	\$

(c) Air Transportation Services

\$39,100	\$39,100
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(d) Civil Air Patrol

\$65,000	\$65,000
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Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriations

(a) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the state airports fund to an appropriation for state airports purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the state airports fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

	1988	1989
	\$	\$
(b) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.		

Subd. 11. Budget Reduction Transfer

Notwithstanding any other law to the contrary, the commissioner of finance shall reduce the distribution of the motor vehicle excise tax transfer as provided by Minnesota Statutes, section 297B.09, subdivision 2, paragraph (c), by \$900,000 for the biennium ending June 30, 1989.

Sec. 3. REGIONAL TRANSIT BOARD

	20,126,500	20,126,500
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Summary by Fund

General

\$15,526,500	\$15,526,500
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Transit Assistance

\$4,600,000	\$4,600,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subdivision 1. Regular Route Service

	11,721,500	11,721,500
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Subd. 2. Metro Mobility

	6,000,000	6,000,000
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Subd. 3. Small Urban, Rural, and Replacement Services

	730,000	730,000
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Subd. 4. Test Marketing of New Services

	400,000	400,000
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	\$ 1988	\$ 1989
Subd. 5. Light Rail Transit Studies	200,000	200,000
Subd. 6. Planning and Programs	750,000	750,000
Subd. 7. Administration	325,000	325,000

The board may not reduce the amounts available for expenditure under subdivisions 1 to 4 or spend any money, except money received from federal grants and private contributions, for the purposes of subdivisions 5 to 7 in addition to the amounts appropriated.

During the biennium ending June 30, 1989, the board may not transfer funds among categories, may not be a recipient of federal capital or operating assistance for transit, and may not alter fare policies or allow the metropolitan transit commission to alter fare schedules existing on January 1, 1987, until: (1) the board has satisfied statutory planning requirements by (i) adopting plans and policies on fares, as required by Laws 1985, First Special Session chapter 10, section 30, (ii) adopting an implementation plan under Minnesota Statutes 1986, section 473.161, that has been approved by the metropolitan council and includes any revisions required by the council under Minnesota Statutes 1986, section 473.161, (iii) adopting an approved financial plan under Minnesota Statutes, section 473.38, subdivision 2, and (iv) submitting the implementation and financial plans adopted under items (ii) and (iii) to the legislature with its request for state financial assistance; and (2) the legislature has acted on the board's request for state financial assistance submitted under clause (1).

The board may supplement any of the appropriations made in subdivisions 1 to 7 from its fund balance reserve.

	\$ 1988	\$ 1989
<p>The board shall study and report to the legislature on the effects, advantages, and disadvantages of transferring the authority to receive federal capital and operating assistance from the metropolitan transit commission to the board and on how and for what purpose the board would use the funds differently than the commission.</p>		
Sec. 4. TRANSPORTATION REGULATION BOARD	531,500	531,500
Approved Complement — 8		
<p>This appropriation is from the trunk highway fund.</p>		
Sec. 5. PUBLIC SAFETY Subdivision 1.		
Total Appropriation	82,700,600	82,590,800
1988 1989		
Approved Complement —		
1,679.4 1,679.4		
General-		
393.7 393.7		
Special Revenue-		
3.0 3.0		
Trunk Highway-		
1,060.8 1,060.8		
Highway User-		
173.6 173.6		
Federal-		
48.3 48.3		

The above approved complement includes 511 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

	1988	1989
No new state patrol supervisory positions may be established, with the exception of special duty assigned ranks for the length of assignment only.	\$	\$

Summary by Fund

General

\$20,064,800	\$20,022,300
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For 1987 - \$900,000

Trunk Highway

\$53,417,200	\$53,256,400
--------------	--------------

Highway User

\$ 8,718,600	\$ 8,762,100
--------------	--------------

Special Revenue

\$ 500,000	\$ 550,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$175,000 the first year and \$175,000 the second year from the general fund. Reductions must be made from appropriations that will not reduce revenue to the general fund.

Subd. 2. Administration and Related Services

\$ 4,348,200	\$ 4,246,900
--------------	--------------

Summary by Fund

General

\$ 52,500	\$ 52,500
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Trunk Highway

\$4,205,700	\$4,104,400
-------------	-------------

Highway User

\$ 90,000	\$ 90,000
-----------	-----------

Subd. 3. Emergency Services

\$ 886,300	\$ 887,000
------------	------------

	1988	1989
	\$	\$
\$341,700 the first year and \$342,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.		

Subd. 4. Criminal Apprehension

\$11,145,900	\$11,126,900
--------------	--------------

Summary by Fund

General

\$10,221,300	\$10,200,700
--------------	--------------

Trunk Highway

\$ 924,600	\$ 926,200
------------	------------

\$223,300 the first year and \$223,300 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$67,800 the first year and \$67,600 the second year are for the bureau of criminal apprehension to continue to provide in-service training for peace officers on a regional basis.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 5. Fire Safety

\$1,801,800	\$1,798,800
-------------	-------------

	1988	1989
	\$	\$
Subd. 6. State Patrol		
	\$35,056,000	\$ 34,975,600

This appropriation is from the trunk highway fund.

This appropriation includes funds reinstating legislative policy by compensating all state patrol troopers, corporals, and sergeants in the amount of \$6 per day in addition to their base salary for meals and business expenses incurred in the performance of their assigned duties in their patrol areas on the days members work five or more hours. Business expenses include, but are not limited to, uniform costs, home garaging of squad cars, and maintenance of home office.

During the biennium ending June 30, 1989, and notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to their union representative for the purpose of carrying out the duties of office.

Subd. 7. Capitol Security

\$1,285,500	\$1,271,000
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Subd. 8. Driver and Vehicle Licensing

\$26,163,100	\$26,231,600
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Summary by Fund

General

\$ 4,303,600	\$ 4,309,300
--------------	--------------

Trunk Highway

\$ 13,230,900	\$13,250,200
---------------	--------------

Highway User

\$ 8,628,600	\$ 8,672,100
--------------	--------------

\$471,400 the first year and \$471,400 the second year are for alcohol assessment reimbursements to counties.

	1988	1989
	\$	\$
Subd. 9. Liquor Control		
\$ 694,800	\$ 684,400	
Subd. 10. Ancillary Services		
\$1,494,000	\$1,543,600	
Summary by Fund		
General		
\$994,000	\$993,600	
For 1987 - \$900,000		
Special Revenue		
\$500,000	\$550,000	

\$900,000 is appropriated from the general fund for the fiscal year ending June 30, 1987, for crime victims and is added to the appropriation in Laws 1985, First Special Session chapter 10, section 4, subdivision 10.

\$827,200 the first year and \$826,900 the second year from the general fund and \$500,000 the first year and \$550,000 the second year from the special revenue fund are for the crime victims reparations board. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

\$115,000 the first year and \$115,000 the second year are for the hazardous substance activity.

The crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments for fiscal year 1988 and fiscal year 1989. In no case shall the total awards exceed the appropriation made in this subdivision.

\$51,800 the first year and \$51,700 the second year are for the expenses of the Private Detective and Protective Agency Licensing Board.

Subd. 11. Transfers

	1988	1989
	\$	\$

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 12. Reimbursements

(a) \$688,000 for the first year and \$687,600 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1988 and January 1, 1989 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$257,300 for the first year and \$257,200 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1988 and January 1, 1989 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

	1988	1989
	\$	\$
(c) \$520,900 for the first year and \$556,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1988 and January 1, 1989 respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.		

Sec. 6. AGRICULTURE

Subdivision 1. Total Appropriation	13,198,500	13,228,900
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Approved Complement - 465.8

General - 210.3

Special/Revolving - 237.2

Federal - 18.3

Summary by Fund

General

\$13,010,700 \$13,041,100

Special Revenue

\$ 187,800 \$ 187,800

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$190,000 the first year and \$190,000 the second year from the general fund. Reductions must be made from appropriations that will not reduce revenue to the general fund.

Subd. 2. Protection Service

\$3,980,000 \$3,963,600

	1988	1989
	\$	\$
Of this amount \$40,000 the first year and \$40,000 the second year are to increase the detection and management of oak wilt in the state's shade trees. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.		

Subd. 3. Family Farm Security

	\$2,095,100	\$2,094,500
\$1,800,000 the first year and \$1,800,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1988, and no new loans may be approved in fiscal year 1989.		

Subd. 4. Administrative Support and Grants

	\$3,683,900	\$3,733,500
Summary by Fund		
General		
	\$3,496,100	\$3,545,700
Special Revenue		
	\$ 187,800	\$ 187,800

\$358,000 the first year and \$358,000 the second year are for grants to agricultural societies, associations, and institutions.

\$30,900 the first year and \$30,900 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$187,800 the first year and \$187,800 the second year are from the commodities research and promotion account in the special revenue fund.

	1988	1989
	\$	\$
Notwithstanding any other law to the contrary, funding for the Seaway Port Authority of Duluth shall remain in the department of agriculture.		
Subd. 5. Water and Soil Resources Board	3,629,500	3,627,300
Approved Complement - 19		

For the biennium ending June 30, 1989, the commissioner of agriculture shall provide suitable and adequate office facilities and space for the water and soil resources board. The commissioner shall also provide administrative services required by the board in administration of its assigned functions.

\$664,200 the first year and \$664,200 the second year are for general purpose grants-in-aid to soil and water conservation districts.

\$152,300 the first year and \$152,300 the second year are for grants to districts for technical assistance, education, and demonstrations of conservation tillage.

\$198,500 the first year and \$198,500 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

	1988	1989
	\$	\$
\$158,700 the first year and \$158,700 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.		

\$12,400 the first year and \$12,400 the second year are for grants to soil and water conservation districts for review and comment on water permits.

Subd. 6. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 7. BOARD OF ANIMAL HEALTH

1,580,100	1,570,300
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Approved Complement - 36

This appropriation includes \$39,900 the first year and \$39,900 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

Sec. 8. COMMERCE

Subdivision 1. Total Appropriation

9,843,800	9,571,000
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Approved Complement - 239

General - 236

Special Revenue - 3

	1988	1989
	\$	\$
Summary by Fund		
General		
\$9,582,600	\$9,309,700	
For 1987 - \$189,200		
Special Revenue		
\$ 261,200	\$ 261,300	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations

\$4,066,100 \$3,969,300

For 1987 - \$189,200

This appropriation is for bank examinations and is added to the appropriation in Laws 1985, First Special Session chapter 10, section 7, subdivision 2.

Subd. 3. Registration and Analysis

\$1,716,500 \$ 1,696,700

Subd. 4. Administrative Services

\$ 1,627,100 \$1,627,800

Subd. 5. Enforcement and Licensing

\$2,434,100 \$2,277,200

Summary by Fund

General

\$2,172,900 \$2,015,900

Special Revenue

\$ 261,200 \$ 261,300

\$261,200 the first year and \$261,300 the second year are from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

	1988	1989
	\$	\$
\$271,800 the first year and \$119,900 the second year are from the general fund to perform a one-time study of insurance claims data maintained by insurance companies. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.		

Subd. 6. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 9. NON-HEALTH- RELATED BOARDS

Subdivision 1. Total for this section

890,900	891,200
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Subd. 2. Board of Abstractors

3,900	3,900
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Subd. 3. Board of Accountancy

344,600	340,800
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Approved Complement - 5

Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture

351,500	357,700
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Approved Complement - 6

Subd. 5. Board of Barber Examiners

137,000	134,900
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Approved Complement - 3

Subd. 6. Board of Boxing

53,900	53,900
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Approved Complement - 1.5

Subd. 7. Board of Electricity

Approved Complement - 18.0

These positions are funded from the special revenue fund.

Sec. 10. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management

3,300,000	3,600,000
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	1988	1989
\$		\$

Approved Complement - 9

These appropriations are from the peace officers training account in the special revenue fund.

The board of peace officer standards and training is increased by two members. They must be appointed by the governor from among peace officers, at least one of whom must be a member of the Minnesota state patrol association.

Notwithstanding any other law to the contrary, any presently duly elected sheriff may perform all the duties of the office provided the sheriff continues and completes required professional educational programs within the sheriff's current term of office.

Sec. 11. PUBLIC UTILITIES COMMISSION

1,889,000	1,715,400
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Approved Complement - 40.0

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, the commission and department shall assess amounts billed by the office of administrative hearings for certificate of need applications, not to exceed \$300,000 per application, during the biennium ending June 30, 1989, pursuant to section 216B.62, subdivision 6.

Sec. 12. PUBLIC SERVICE

Subdivision 1. Total Appropriation

6,252,700	6,240,100
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1988	1989
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Approved Complement -

149.1	132.3
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General-

125.3	125.3
-------	-------

Special Revenue-

6.8	5.5
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Federal-

17.0	1.5
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	\$	1988	\$	1989
Summary by Fund				
General-				
\$6,191,300		\$6,178,800		
Special Revenue-				
\$ 61,400		\$ 61,300		
The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.				
Subd. 2. Utility Regulation				
\$1,777,200		\$1,773,000		
Subd. 3. Weights and Measures				
\$1,881,100		\$1,876,400		
Subd. 4. Administrative Services				
\$ 608,300		\$ 608,600		
Subd. 5. Energy				
\$1,986,100		\$1,982,100		
Summary by Fund				
General-				
\$1,924,700		\$1,920,800		
Special Revenue-				
\$ 61,400		\$ 61,300		
Subd. 6. Transfers				
The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.				
Sec. 13. RACING COMMISSION		867,900		872,800
Approved Complement - 10				
General - 8				
Special Revenue - 2				
Sec. 14. CHARITABLE GAMBLING CONTROL BOARD		609,000		619,100
Approved Complement - 14				
Sec. 15. ETHICAL PRACTICES BOARD		215,700		215,900

	1988	1989
	\$	\$
Approved Complement - 5		
Sec. 16. MINNESOTA MUNICIPAL BOARD	228,200	227,900
Approved Complement - 4		
Sec. 17. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	99,500	99,200
Sec. 18. UNIFORM LAWS COMMISSION	14,900	14,900
These amounts include funds to pay the expenses of life members to attend the annual meetings of the National Conference of Commissioners on Uniform State Laws.		
Sec. 19. VOYAGEURS NATIONAL PARK CITIZENS COMMITTEE	82,900	87,900
Notwithstanding any law to the contrary, the citizens council on Voyageurs National Park is extended until June 30, 1989.		
Sec. 20. MINNESOTA HISTORICAL SOCIETY		
Subdivision 1. Total Appropriation	9,620,400	9,618,000
The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.		
Subd. 2. Minnesota Historical Society Operations	8,672,200	8,684,200
Admission income from Fort Snelling is appropriated to the Minnesota historical society for historic site operations.		
Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.		

	1988	1989
\$		\$

The appropriation in this subdivision includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available funds. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 3. Repair and Replacement	325,000	225,000
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\$100,000 the first year is for the restoration and preservation of murals, stencils, sculptures, statues, paintings, built-in exhibit areas, and objects of art or historical artifacts in the public areas of the state capitol, including the governor's anteroom, reception room, and private office.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Historic Grant-In-Aid	286,100	286,100
(a) Historic Preservation		
\$259,600	\$259,600	

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) Archaeology		
\$ 26,500	\$ 26,500	

Subd. 5. Fiscal Agent	262,100	212,100
(a) Sibley House Association		
\$ 58,000	\$ 58,000	

	1988	1989
	\$	\$

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

(b) Minnesota Humanities Commission

\$47,100	\$47,100
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The Minnesota humanities commission may establish a humanities resource center to ensure balance in public education and in the cultural life of the state. The humanities resource center may transport people and resources to small towns, rural communities, and urban settings to provide high quality educational and cultural programs to schools and community organizations throughout Minnesota.

(c) Minnesota International Center

\$38,000	\$38,000
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(d) Camp Ripley Military Museum

\$30,000	
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(e) Minnesota Air National Guard Museum

\$20,000	
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(f) Government Learning Center

\$69,000	\$69,000
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This appropriation is for Project 120.

(g) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Subd. 6. State History Center

\$75,000	\$210,600
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75,000	210,600
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1988 1989
\$ \$

This appropriation is available only if legislation is enacted providing funding for construction of a new state history center.

The Minnesota historical society shall conduct an interim study, in cooperation with county historical organizations of their choice and the department of finance, to determine changes and revisions required in the Historic Sites Act of 1965. The study shall identify those historic sites that merit preservation and interpretation and include a plan for financing their development and operations. The study shall include recommendations by the society on which sites should charge admission fees and the amount of the proposed fee, by site. The historical society shall report the results of this study to the chairs of the senate finance committee and house of representatives appropriations committee, and the governor by July 1, 1988.

Sec. 21. BOARD OF THE ARTS

Subdivision 1. Total Appropriation

	1988	1989
Approved Complement -		
General-	14	15
Federal-	11	12
	3	3

3,130,100

3,130,100

Amounts that may be spent from this appropriation are specified below.

At least \$35,000 the first year and \$35,000 the second year are for the support of the American craft council national craft fair.

\$1,009,900 the first year and \$1,009,900 the second year are for the support of regional arts councils throughout the state.

	1988	1989
	\$	\$
Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.		
Sec. 22. MINNESOTA HORTICULTURAL SOCIETY	66,400	66,400
Sec. 23. MINNESOTA ACADEMY OF SCIENCE	30,600	35,600
Sec. 24. SCIENCE MUSEUM OF MINNESOTA	508,400	514,700
Sec. 25. MINNESOTA SAFETY COUNCIL	50,700	50,700
This appropriation is from the trunk highway fund.		
Sec. 26. VETERANS OF FOREIGN WARS	27,500	27,500
For carrying out the provisions of Laws 1945, chapter 455.		
Sec. 27. GENERAL CONTINGENT ACCOUNTS	650,000	650,000
The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.		
If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.		
Summary by Fund		
Trunk Highway Fund		
\$400,000	\$400,000	
Highway User Tax Distribution Fund		
\$250,000	\$250,000	
Sec. 28. TORT CLAIMS	600,000	600,000
To be spent by the commissioner of finance.		
This appropriation is from the trunk highway fund.		
If the appropriation for either year is insufficient, the appropriation for the other year is available for it.		

Sec. 29. [ANCHOR LAKE TRAVEL INFORMATION CENTER.]

The commissioner of transportation shall assume the responsibility of operating the Anchor Lake travel information center effective July 1, 1987. The complement of the department of transportation is increased up to three positions for this purpose.

Sec. 30. [EXPORT FINANCE AUTHORITY WORKING CAPITAL ACCOUNT.]

The balance in the export finance authority working capital account shall be maintained at \$1,000,000.

Sec. 31. [EMERGENCY RESPONSE COMMISSION.]

The governor may designate the hazardous substance notification advisory committee to serve as and perform the functions of the state emergency response commission provided for under title III of the Superfund Amendments and Reauthorization Act of 1986. The governor may also appoint representatives of state agencies to serve on the state emergency response commission.

Sec. 32. [WATER AND SOIL RESOURCES BOARD: TRANSITIONAL MEMBERSHIP; COMPLEMENT.]

Subdivision 1. [TRANSITIONAL MEMBERSHIP.] Notwithstanding and in addition to the members specified in other, permanent law, the initial water and soil resources board shall have four temporary members consisting of soil and water conservation district supervisors, through December 31, 1989.

Subd. 2. [TRANSFER OF EMPLOYEES.] The classified and unclassified state positions and employees of the state soil and water conservation board and water resources board are transferred to the water and soil resources board under section 15.039, subdivision 7. The unclassified position of the executive director of the water resources board and the classified position of the executive director of the soil and water conservation board must be placed in proper job classification in the classified service without examination by the commissioner of employee relations.

Sec. 33. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "state soil and water conservation board," "water resources board," "water policy board," or other language intended to refer to those boards, wherever they appear in Minnesota Statutes to "water and soil resources board" or other appropriate language to refer to the water and soil resources board.

Sec. 34. Minnesota Statutes 1986, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$75,000~~ \$137,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.

Sec. 35. Minnesota Statutes 1986, section 17A.04, subdivision 5, is amended to read:

Subd. 5. [LICENSE FEE.] The applicant shall submit to the commissioner the following applicable fees and penalties for late renewal:

(a) ~~\$150~~ \$300 for each livestock market agency and public stockyard license, penalty ~~\$38~~ \$75;

(b) ~~\$50~~ \$100 for each livestock dealer license, penalty ~~\$13~~ \$25;

(c) ~~\$30~~ \$50 for each agent of a livestock dealer license, penalty ~~\$10~~ \$15;

(d) ~~\$50~~ \$100 for each meat packing company license, penalty ~~\$13~~ \$25;

(e) ~~\$30~~ \$50 for each agent of a meat packing company license, penalty ~~\$10~~ \$15.

Sec. 36. Minnesota Statutes 1986, section 18.51, subdivision 2, is amended to read:

Subd. 2. [FEES; PENALTY.] A nursery operator shall pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of the operator's nurseries as follows:

Nurseries:

- | | |
|--|--|
| (1) ½ acre or less | \$30 <u>\$40</u> per nursery operator |
| (2) Over ½ acre to and including 2 acres | \$50 <u>\$60</u> per nursery operator |
| (3) Over 2 acres to and including 10 acres | \$100 <u>\$125</u> per nursery operator |

- | | |
|---|---|
| (4) Over 10 acres to and including 50 acres | \$300 \$360 per nursery operator |
| (5) Over 50 acres | \$600 <u>\$725</u> per nursery operator |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 37. Minnesota Statutes 1986, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] A dealer shall pay an annual fee based on the dealer's gross sales during the preceding certificate year. A dealer operating for the first year will pay the minimum fee.

Dealers:

- | | |
|--|---|
| (1) Gross sales up to \$1,000 | at a location
\$30 \$40 per location |
| (2) Gross sales over \$1,000 and up to \$5,000 | at a location
\$40 \$50 per location |
| (3) Gross sales over \$5,000 up to \$10,000 | at a location
\$70 \$85 per location |
| (4) Gross sales over \$10,000 up to \$25,000 | at a location
\$100 <u>\$125</u> per location |
| (5) Gross sales over \$25,000 up to \$75,000 | at a location
\$150 \$175 per location |
| (6) Gross sales over \$75,000 up to \$100,000 | at a location
\$220 <u>\$260</u> per location |
| (7) Gross sales over \$100,000 | at a location
\$330 <u>\$400</u> per location |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 38. Minnesota Statutes 1986, section 18.53, is amended to read:

18.53 [GREENHOUSE CERTIFICATION.]

The commissioner may inspect and certify greenhouses and greenhouse plants as being free from plant pests upon request of the greenhouse operator and issue a greenhouse certificate. The fee is ~~\$30~~ \$50 for each greenhouse operator. The certificate expires on November 15 next following the date of issue.

Sec. 39. Minnesota Statutes 1986, section 27.041, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] The license, or a certified copy of the license, must be kept posted in the office of the licensee at each place within the state where the licensee transacts business. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision is automatically void upon the termination of the surety bond covering the licensed operation. The fee for each license shall be based on the following schedule:

Penalty for		Dollar Volume of Business
License Fee	Late Renewal	
\$ 30	\$10	\$10,000 or less per month
\$ 60	\$15	Over \$10,000 to \$50,000 per month
\$180 \$300	\$45 \$75	Over \$50,000 to \$100,000 per month
\$240 \$400	\$60 \$100	Over \$100,000 per month

A fee of ~~\$10~~ \$20 shall be charged for each certified copy of a license, ~~\$2~~ \$5 for each license identification card, and ~~\$2~~ \$5 for each license identification truck decal. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975 for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, chapter 227 under the provisions of law amended or repealed herein. A licensee who sells, disposes of, or discontinues the licensee's business during the lifetime of a license shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

Money collected from license fees shall be deposited in the state treasury.

Sec. 40. Minnesota Statutes 1986, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

The fees for licenses and the penalties for late renewal of licenses set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter.

Type of food handler	License Fee	Penalty
1. Retail food handler		
(a) Having gross sales of less than \$50,000 for the immediately previous license or fiscal year	\$ 25 <u>\$40</u>	\$10

(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$ 50 <u>\$75</u>	<u>\$13</u> <u>\$25</u>
(c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$100</u> <u>\$125</u>	<u>\$25</u> <u>\$50</u>
(d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$200</u> <u>\$250</u>	<u>\$50</u> <u>\$75</u>
2. Wholesale food handler	<u>\$100</u>	<u>\$25</u>
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	<u>\$100</u>	<u>\$25</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$150</u>	<u>\$38</u>
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$200</u>	<u>\$50</u>
3. Food broker	\$ 50 <u>\$75</u>	<u>\$13</u> <u>\$25</u>
4. Wholesale food processor or manufacturer		
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	<u>\$150</u> <u>\$200</u>	<u>\$38</u> <u>\$50</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$200</u> <u>\$275</u>	<u>\$50</u> <u>\$75</u>
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$250</u> <u>\$350</u>	<u>\$63</u> <u>\$100</u>
5. Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture		
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$ 75 <u>\$100</u>	<u>\$19</u> <u>\$25</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 90 <u>\$150</u>	<u>\$23</u> <u>\$50</u>
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$105</u> <u>\$175</u>	<u>\$27</u> <u>\$50</u>

6. Wholesale food manufacturer hav- \$ 30 \$ 10
ing the permission of the commis-
sioner to use the name Minnesota
farmstead cheese

Sec. 41. Minnesota Statutes 1986, section 32.075, is amended to read:

32.075 [TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.]

Every license issued by the commissioner shall be for a period ending on the thirty-first day of December next following, and shall not be transferable. The fee for each such initial license shall be \$25 \$50 and each renewal thereof shall be \$10 \$25 and shall be paid to the commissioner before any license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of \$10 shall be imposed. A person who does not renew a license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews a license to prove competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury.

Sec. 42. Minnesota Statutes 1986, section 32.59, is amended to read:

32.59 [NONRESIDENT MANUFACTURER LICENSE.]

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the department of agriculture in the form and with the information the commissioner requires. Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, must be submitted to the department. Each application for registration must be accompanied by a fee of \$150 \$200, which is the registration fee if a certificate of registration is granted. If the department of agriculture finds that the samples submitted are up to the accepted standards and otherwise comply with the laws of this state, it shall issue to the applicant a certificate of registration. The penalty for a late registration application is \$38 \$50 if the registration is not renewed by January 1 of any year.

Sec. 43. Minnesota Statutes 1986, section 40.01, subdivision 4, is amended to read:

Subd. 4. [STATE BOARD OR STATE SOIL AND WATER CONSERVATION AND SOIL RESOURCES BOARD.] "State board" or "state soil and water conservation and soil resources board" means the agency created in section ~~40.03~~ 110B.35.

Sec. 44. Minnesota Statutes 1986, section 40.03, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] In addition to the powers and duties hereinafter conferred upon the state soil and water conservation board by section 110B.35, it shall have the following powers and duties:

(1) Prepare and present to the commissioner of agriculture a budget to finance the activities of the state board and the districts and to administer any law appropriating funds to districts. The board shall Receive and disburse any grants made available to the state by the United States Department of Agriculture under the preferred program developed under United States Code, title 16, sections 2001 to 2009;

(2) Offer any appropriate assistance to the supervisors of the districts in implementing any of their powers and programs. Any funds made available to a district for expenditures necessary for the operations of the district shall be a grant to the district to be used only for purposes authorized by the state board pursuant to law. The soil and water conservation district may designate the board of county commissioners to act as the agent of the district to receive and expend these funds at the direction and with the approval of the board of supervisors of the district. At least annually the state board shall audit, in a manner it prescribes, the expenditure of funds so granted;

(3) Keep the supervisors of each district informed of the activities and experience of all other districts and facilitate cooperation and an interchange of advice and experience among the districts;

(4) Coordinate the programs and activities of the districts with appropriate agencies by advice and consultation;

(5) Approve or disapprove the plans or programs of districts relating to the use of state funds administered by the state board;

(6) Secure the cooperation and assistance of the appropriate agencies in the work of the districts and to develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding and agriculturally related pollution control programs;

(7) Develop and implement a comprehensive public information program concerning the districts' activities and programs, the problems and preventive practices of erosion, sedimentation, agriculturally related pollution, flood prevention, and the advantages of formation of districts in areas where their organization is desirable;

(8) Subdivide and consolidate districts without a hearing or a referendum so as to confine districts within county limits, provided that no district, when feasible and practicable, shall contain less than four full or fractional congressional townships;

(9) Assist in the implementation of a statewide program for inventorying and classification of the types of soils throughout the state as determined by the Minnesota cooperative soil survey;

(10) Identify research needs and cooperate with other public agencies in research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state, and long-term soil productivity;

(11) Develop programs to reduce or prevent soil erosion, sedimentation, flooding and agriculturally related pollution, including but not limited to structural and land-use management practices;

(12) Develop a system of priorities within the state to identify the erosion, flooding, sediment and agriculturally related pollution problem areas that are most severely in need of control systems; and

(13) Ensure compliance with statewide programs and policies established by the state board pursuant to this section and section 40.02 by advice, consultation, and approval of grant agreements with the districts.

Sec. 45. Minnesota Statutes 1986, section 40.035, subdivision 2, is amended to read:

Subd. 2. For the purpose of developing the program plan, the state board may request any existing pertinent information from any state agency pursuant to section 40.03, subdivision 2, and may conduct any hearing it deems necessary.

Sec. 46. Minnesota Statutes 1986, section 40.21, subdivision 1, is amended to read:

Subdivision 1. [RULES AND MODEL ORDINANCE AS GUIDE.] The commissioner of agriculture water and soil resources board, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall adopt a model ordinance and

rules that serve as a guide for local governments to carry out the provisions of Laws 1985, chapter 256, sections 12 to 22 and sections 40.20 to 40.26, and provide administrative procedures for the state soil and water conservation board for Laws 1985, chapter 256, sections 12 to 21 and sections 40.20 to 40.26.

Sec. 47. Minnesota Statutes 1986, section 40.21, subdivision 3, is amended to read:

Subd. 3. [PERIODIC REVIEW.] At least once every five years the ~~commissioner of agriculture~~ state board shall review the rules and model ordinance in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance.

Sec. 48. Minnesota Statutes 1986, section 40.43, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of agriculture, in consultation with the commissioner of natural resources, shall establish and administer a conservation reserve program. The commissioner of agriculture shall contract with the water and soil resources board to implement sections 40.40 to 40.44. Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Sec. 49. Minnesota Statutes 1986, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, ~~\$50~~ \$100;

(2) for filing annual statement, ~~\$30~~ \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, ~~\$50~~ \$100;

(4) for filing bylaws, ~~\$25~~ \$75 or amendments thereto, ~~\$10~~ \$75;

(5) for each company's certificate of authority, ~~\$40~~ \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, ~~\$5~~ \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, ~~\$40~~ \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) ~~for processing checks returned due to insufficient funds, \$15;~~

(14) for filing forms and rates, ~~\$10~~ \$50 per filing. The commissioner shall adopt rules to define filings that are subject to a fee;

(14) for annual renewal of surplus lines insurer license, \$300.

Sec. 50. Minnesota Statutes 1986, section 60A.206, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR RECOGNITION.] An insurer not otherwise licensed to engage in the business of insurance in Minnesota may apply for recognition as an eligible surplus lines insurer by filing an application in the form and with the information as reasonably required by the commissioner regarding the insurer's financial stability, reputation, integrity ~~and~~, operating plans, ~~and by submitting a license fee of \$500.~~ The commissioner may delegate to an association the power to process and make recommendations on applications for recognition as an eligible surplus lines insurer. Notwithstanding delegation by the commissioner, an applicant may file an application directly with the commissioner.

Sec. 51. Minnesota Statutes 1986, section 60A.23, subdivision 7, is amended to read:

Subd. 7. [LICENSES REQUIRED FOR EMPLOYERS MAKING DEDUCTIONS FROM WAGES FOR CERTAIN PURPOSES.] (1) [REQUIREMENTS.] No employer shall make deductions from the wages of employees for the purpose of furnishing them with life insurance, funeral benefits, medical or hospital care, accident, sickness or old age insurance or benefits, unless the employer first receives from the commissioner of commerce a license for the benefit plan the employer operates or proposes to operate. The license shall be granted only when the commissioner is satisfied that the benefits given are commensurate with the charges made and that the charges will keep the fund solvent. All licenses shall be for the period of one

year. The commissioner may require a statement of the operation of the fund, on a form to be prescribed by the commissioner, before granting a renewal. The fee for a license is ~~\$25~~ \$250 and for filing the annual statement ~~\$10~~ \$40. Any fees received by the commissioner pursuant to this subdivision shall be paid into the general fund. Before granting a license the commissioner of commerce shall submit the proposed plan to the chair of the workers' compensation court of appeals in order that the chair may determine whether the benefits are in conjunction with the benefits under the workers' compensation act.

(2) [EXCEPTIONS.] The requirements of clause (1) shall not apply to deductions made from the employees' wages for group insurance issued by insurers authorized to transact business in this state nor to railroad companies engaged in interstate commerce.

(3) [PENALTY.] Any person, firm, corporation, or association that makes deductions from the wages of an employee in violation of clause (1) shall be guilty of a misdemeanor.

Sec. 52. Minnesota Statutes 1986, section 70A.14, subdivision 4, is amended to read:

Subd. 4. [DURATION.] Licenses issued pursuant to this section shall remain in effect until the licensee withdraws from the state or until the license is suspended or revoked. The fee for each license shall be ~~\$100~~ \$1,000, payable every three years.

Sec. 53. Minnesota Statutes 1986, section 83.23, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION.] Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, subdivided lands may be registered by notification provided that all of the following requirements have been met:

(a) the subdivision consists of not more than 100 separate lots, units, parcels, or interests;

(b) at least 20 days prior to any offer pursuant to this subdivision, the subdivider must supply the commissioner, on forms which the commissioner may by rule prescribe, at least the following information:

(1) the name and address of the subdivider and the form and date of its organization if other than an individual;

(2) the location and legal description of the subdivision and the total number of lots, parcels, units, or interests;

(3) either a title opinion prepared and signed by an attorney licensed to practice law in the state wherein the subdivided land is situated; or a certificate of title insurance or its equivalent acceptable to the commissioner;

(4) a copy of each instrument which will be delivered to a purchaser to evidence the purchaser's interest in the subdivided lands and a copy of each contract or other agreement which a purchaser will be required to agree to or sign, together with the range of selling prices, rates, or rentals at which it is proposed to offer the lots, units, parcels, or interests in the subdivision, a list of fees the purchaser may be required to pay for amenities or membership in groups including, but not limited to, homeowners' associations, country clubs, golf courses, and other community organizations; and

(5) a copy of a signed and approved plat map or its equivalent;

(c) a filing fee of ~~\$100~~ \$150 has been paid;

(d) the subdivider is in compliance with the service of process provisions of section 83.39.

The commissioner may by rule or order withdraw or further condition registration by notification or increase or decrease the number of lots, units, parcels, or interests in subdivided lands permitted for registration by notification. If no stop order is in effect, no proceeding is pending, and no order has been issued under subdivision 4, a registration statement under this section automatically becomes effective at 5:00 in the afternoon on the 20th full business day after the filing of the registration statement or the last amendment, or at such earlier time as the commissioner by order determines.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing independently certified financial statements.

Sec. 54. Minnesota Statutes 1986, section 83.23, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATION.] Subdivided lands may be registered by qualification provided all of the following requirements have been met:

(a) an application for registration has been filed with the commissioner in a format which the commissioner may by rule prescribe;

(b) the commissioner has been furnished a proposed public offering statement complying with section 83.24;

(c) a filing fee of ~~\$250~~ \$400 plus an additional registration fee of \$1 for each lot, unit, parcel, or interest included in the offering accompanies the application. The maximum combined filing and registration fees shall in no event be more than ~~\$2,500~~ \$3,500;

(d) the subdivider is in compliance with service of process provisions of section 83.39;

(e) the commissioner has been furnished a financial statement of the subdivider's most recent fiscal year, audited by an independent certified public accountant; and, if the fiscal year of the subdivider is more than 90 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 90 days of the date of application.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing independently certified financial statements.

An application for registration under this section becomes effective when the commissioner so orders.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 55. Minnesota Statutes 1986, section 83.30, subdivision 2, is amended to read:

Subd. 2. [FEE.] Every annual report filed pursuant to section 83.23, subdivision 2, shall be accompanied by a fee of ~~\$50~~ \$75. Every annual report filed pursuant to section 83.23, subdivision 3, shall be accompanied by a fee of ~~\$100~~ \$150.

Sec. 56. Minnesota Statutes 1986, section 105.73, is amended to read:

105.73 [DEFINITIONS.]

Unless the context clearly indicates a different meaning is intended, the following terms for the purposes of this chapter shall be given the meanings ascribed to them in this section.

Board—Minnesota water and soil resources board.

Proceeding—Any procedure under any of the laws enumerated in section 105.74 however administrative discretion or duty thereunder may be invoked in any instance.

Agency—Any state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under any of the laws enumerated in section 105.74.

Court—The court means the district court or a judge thereof before whom the proceedings are pending.

Question of water policy—Where use, disposal, pollution, or conservation of water is a purpose, incident, or factor in a proceeding, the question or questions of state water law and policy involved, including either (a) determination of the governing policy of state law in the proceeding, resolving apparent inconsistencies between different statutes, (b) the proper application of that policy to facts in the proceeding when application is a matter of administrative discretion, or both (a) and (b).

Sec. 57. Minnesota Statutes 1986, section 110B.02, subdivision 2, is amended to read:

Subd. 2. [BOARD.] "Board" means the water and soil resources board.

Sec. 58. [110B.35] [WATER AND SOIL RESOURCES BOARD.]

Subdivision 1. [BOARD ESTABLISHED; MEMBERS.] The water and soil resources board is established as an agency of the state to perform the functions conferred upon it by law. The board is composed of 12 voting members knowledgeable of water and soil problems and conditions within the state. The board shall be appointed in accordance with this section. The membership of the board shall be as follows:

- (1) three county commissioners;
- (2) three soil and water conservation district supervisors;
- (3) three watershed district or watershed management organization representatives; and
- (4) three citizens who are not employed by, or the appointed or elected official of, any governmental office, board, or agency.

Subd. 2. [MEMBER DISTRIBUTION.] Members shall be distributed across the state with at least three members but not more than five members from the metropolitan area, as defined in section

473.121, subdivision 2, and one member from each of the soil and water conservation administrative regions.

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] The following agencies shall each provide one nonvoting member to the board:

- (1) department of agriculture;
- (2) department of health;
- (3) department of natural resources; and
- (4) pollution control agency.

Subd. 4. [NOMINEES.] All voting members must be appointed by the governor. The governor shall appoint a member of the board to serve as the chair, with the advice and consent of the senate. In making the appointments, the governor may consider persons recommended by the association of Minnesota counties, the Minnesota association of soil and water conservation districts, and the Minnesota association of watershed districts. The list submitted by an association shall contain at least three nominees for each applicable position to be filled.

Subd. 5. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] Except as provided in this subdivision and subdivision 1, the membership terms, compensation, removal of members and filling of vacancies on the board for the members specified in subdivision 1 shall be as provided in section 15.0575.

Subd. 6. [EMPLOYEES.] The board may employ an executive director who shall serve in the unclassified service and other permanent and temporary employees in accordance with chapter 43A. The board may prescribe the powers and duties of its officers and employees and may authorize its employees and members of the board to act on behalf of the board.

Subd. 7. [OFFICERS; QUORUM; RECORDS; AUDIT.] The board shall elect a vice-chair and any other officers that it considers necessary from its membership. A majority of the board shall constitute a quorum. The board may hold public hearings and adopt rules necessary to execute its duties provided in law.

Subd. 8. [ADMINISTRATIVE SERVICES.] The commissioner of administration shall provide and make available within the department of agriculture suitable and adequate office facilities and space for the board. The commissioner of agriculture shall provide and make available administrative services required by the board in administration of its functions.

Subd. 9. [POWERS AND DUTIES.] In addition to the powers and duties prescribed elsewhere, the board has the following powers and duties:

(1) coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the environmental quality board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrates the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

Subd. 10. [COMMITTEE FOR DISPUTE RESOLUTION.] A committee of the board is established to hear and resolve on behalf of the board disputes, appeals, and interventions under sections 105.72 to 105.79, 110B.25, 112.801, and 473.878, subdivision 7. The committee shall consist of the three citizen members of the board specified in subdivision 1, clause (4), and two additional members appointed by the board chair.

Sec. 59. Minnesota Statutes 1986, section 112.35, subdivision 4, is amended to read:

Subd. 4. "Board" means the Minnesota water and soil resources board established by section ~~105.71~~ 110B.35.

Sec. 60. Minnesota Statutes 1986, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as members the director of the state planning agency, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, the chair of the water and soil resources board, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.

Sec. 61. Minnesota Statutes 1986, section 144.226, subdivision 3, is amended to read:

Subd. 3. [BIRTH CERTIFICATE COPY SURCHARGE.] In addition to any fee prescribed under subdivision 1, there shall be a surcharge of \$2 ~~\$3~~ for each certified copy of a birth certificate. The local or state registrar shall forward this amount to the commissioner of finance for deposit into the account for the children's trust fund for the prevention of child abuse established under section 299A.22. This surcharge shall not be charged under those circumstances in which no fee for a certified copy of a birth certificate is permitted under subdivision 1, paragraph (a). Upon certification by the commissioner of finance that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

Sec. 62. Minnesota Statutes 1986, section 296.17, subdivision 9a, is amended to read:

Subd. 9a. [MINNESOTA BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts which require base state licensing and filing and which eliminate filing in the nonresident compact states, the Minnesota based motor vehicles registered pursuant to section 168.187 will be required to license under the fuel tax compact in Minnesota.

The commissioner of public safety will have all the powers granted to the commissioner of revenue under this section, including the authority to collect and issue licenses, to collect the tax due, and issue any refunds. All license fees paid to the commissioner of public safety pursuant to subdivision 10 will be deposited in the general fund. The commissioner shall charge an annual fee of \$13 for applications for quarterly reporting of fuel tax under this subdivision.

Sec. 63. Minnesota Statutes 1986, section 297B.09, subdivision 2, is amended to read:

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.] The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, 1984, or between July 1, 1985, and June 30, 1987, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, 1984, and before July 1, 1985, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) Except as provided in paragraph (f) (m), ~~37.5~~ 7.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. ~~The remaining 12.5~~ Two and one-half percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) Except as provided in paragraph (f) (m), ~~56.25~~ 15 percent of the proceeds collected after June 30, 1989, and before July 1, ~~1991~~ 1990, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. ~~The remaining 18.75~~ Five percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) Except as provided in paragraph (f) (m), ~~75~~ 22.5 percent of the proceeds collected after June 30, ~~1991~~ 1990, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. ~~The remaining 25~~ Seven and one-half percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(f) Except as provided in paragraph (m), 30 percent of the proceeds collected after June 30, 1991, and before July 1, 1992, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in

that fund. Ten percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(g) Except as provided in paragraph (m), 37.5 percent of the proceeds collected after June 30, 1992, and before July 1, 1993, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. Twelve and one-half percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(h) Except as provided in paragraph (m), 45 percent of the proceeds collected after June 30, 1993, and before July 1, 1994, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. Fifteen percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(i) Except as provided in paragraph (m), 52.5 percent of the proceeds collected after June 30, 1994, and before July 1, 1995, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. Seventeen and one-half percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(j) Except as provided in paragraph (m), 60 percent of the proceeds collected after June 30, 1995, and before July 1, 1996, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. Twenty percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(k) Except as provided in paragraph (m), 67.5 percent of the proceeds collected after June 30, 1996, and before July 1, 1997, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. Twenty-two and one-half percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(l) Except as provided in paragraph (m), 75 percent of the proceeds collected after June 30, 1997, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25

percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(f) (m) The distributions under paragraphs (c), (d), and (e) to (l) to the highway user tax distribution fund shall be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance shall, prior to making the transfers required under subdivision 1 on July 15 and January 15 of each year, estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period under subdivision 1.

Sec. 64. Minnesota Statutes 1986, section 299A.23, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] An advisory council of 15 members is established under section 15.059. The commissioners of human services, health, education, and corrections shall each appoint one member. The subcommittee on committees of the senate and the speaker of the house of representatives shall each appoint two members of their respective bodies, one from each caucus. The governor shall appoint an additional seven members who shall demonstrate knowledge in the area of child abuse and shall represent the demographic and geographic composition of the state, and to the extent possible, represent the following groups: local government, parents, racial and ethnic minority communities, the religious community, professional providers of child abuse prevention and treatment services, and volunteers in child abuse prevention and treatment services. The council shall advise and assist the commissioner in carrying out Laws 1986, chapter 423. The council shall not expire as provided by section 15.059, subdivision 5.

Sec. 65. Minnesota Statutes 1986, section 299A.25, subdivision 3, is amended to read:

Subd. 3. [USE OF FUNDS.] Priority must be given to applicants whose matching funds must do not consist, in whole or in part, of state or federal funds. Any trust fund money received must not be used to compensate for a decrease in previously existing funding levels unless that decrease is attributable to a decision made by state, federal, or other entities not controlled by the applicant and the applicant demonstrates that it has made reasonable efforts to retain all previously existing funding.

Sec. 66. Minnesota Statutes 1986, section 299A.25, subdivision 6, is amended to read:

Subd. 6. [ADMINISTRATIVE EXPENSES.] For fiscal years 1988 and 1989, the commissioner may keep up to five percent retain up to \$200,000 of trust fund money collected in any year under sections 299A.26 and 144.226, subdivision 3, for administering and otherwise carrying out responsibilities under Laws 1986, chapter 423, except that. During fiscal year 1987 the commissioner may keep up to \$75,000 of trust fund money collected for these purposes. The approved complement of the department of public safety is increased by one unclassified and one classified position in the civil service of the state.

Sec. 67. Minnesota Statutes 1986, section 309.531, subdivision 1, is amended to read:

Subdivision 1. No person shall act as a professional fund raiser unless licensed by the department. Applications for a license shall be in writing, under oath, in the form prescribed by the department and shall be accompanied by an application fee of ~~\$25~~ \$200. Each license shall be effective for a period of not more than 12 months from the date of issuance, and in any event shall expire on July 30 next following the date of issuance.

Sec. 68. Minnesota Statutes 1986, section 326.241, subdivision 3, is amended to read:

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All license fees collected under the provisions of sections 326.241 to 326.248 are to be credited to the general fund. The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity a special account in the state treasury. Money in the account is appropriated to the board of electricity to administer and enforce sections 326.241 to 326.248, to pay indirect costs, to compensate contract electrical inspectors for inspections performed, and to make refunds.

Sec. 69. Minnesota Statutes 1986, section 326.244, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] (a) At or before commencement of any installation required to be inspected by the board, the electrical contractor, installer, special electrician, or owner making the installation shall submit to the board a request for inspection, in a form prescribed by the board, together with the fees required for the installation.

(b) The fees required are a handling fee and an inspection fee. The handling fee shall be set by the board in an amount sufficient to pay the cost of printing and handling the form requesting an inspection. The inspection fee shall be set by the board in an amount sufficient to pay the actual costs of the inspection and the board's costs in administering the inspection. All fees shall be set pursuant to the procedure of sections 14.01 to 14.70.

(c) All handling fees shall be deposited in the general fund. All inspection fees collected pursuant to this section shall be deposited by the board in a special revenue bookkeeping account of the treasury and are appropriated to the board for the purpose of compensating contract inspectors for inspections performed, for transfer to the general fund of the portion of the fee representing inspection administration costs, and for making refunds.

(d) If the inspector finds that the installation is not in compliance with accepted standards of construction for safety to life and property as required by section 326.243, the inspector shall by written order condemn the installation or noncomplying portion thereof, or order service to the installation disconnected, and shall send a copy of the order to the board. If the installation or the noncomplying part will seriously and proximately endanger human life and property, the order of the inspector, when approved by the inspector's superior, shall require immediate condemnation or disconnection. In all other cases, the order of the inspector shall permit a reasonable opportunity for the installation to be brought into compliance with accepted standards of construction for safety to life and property prior to the effective time established for condemnation or disconnection.

(e) (d) Copies of each condemnation or disconnection order shall be served personally or by mail upon the property owner, and the electrical contractor, installer, or special electrician making the installation, and other persons as the board by rule may direct. An aggrieved party may appeal any condemnation or disconnection order by filing with the board a notice of appeal within ten days after (1) service upon the aggrieved party of the condemnation or disconnection order, if this service is required, or (2) filing of the order with the board, whichever is later. The appeal shall proceed and the order of the inspector shall have the effect the order, by its terms, and the rules of the board provides. The board shall adopt rules providing procedures for the conduct of appeals, including provisions for the

stay of enforcement of the order of the inspector pending such appeal when justified by the circumstances.

Sec. 70. Minnesota Statutes 1986, section 332.33, subdivision 3, is amended to read:

Subd. 3. Licenses granted by the commissioner of commerce under sections 332.31 to 332.45 shall expire on June 30. All renewals of licenses shall likewise expire on June 30. Each license shall plainly state the name and business address of the licensee, and shall be posted in a conspicuous place in the office where the business is transacted. The fee for each license shall be \$500 and renewal shall be \$100 \$400. A licensee who desires to carry on business in more than one place within the state shall procure a license for each place where the business is to be conducted.

Sec. 71. Minnesota Statutes 1986, section 332.33, subdivision 4, is amended to read:

Subd. 4. The commissioner may require such financial statements and references of all applicants for a license as the commissioner deems necessary; and may make or cause to be made an independent investigation concerning the applicant's reputation, integrity, competence, and net worth, at the expense of the applicant for such initial investigation, not to exceed \$100 \$500, and for that purpose may require such deposit against the cost thereof as the commissioner deems adequate. Such investigation may cover all managerial personnel employed by or associated with the applicant.

Sec. 72. Minnesota Statutes 1986, section 473.39, subdivision 1a, is amended to read:

Subd. 1a. [~~AMOUNT; I-394 FACILITIES AMOUNTS.~~] (a) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding ~~\$8,500,000~~ \$17,000,000 for ~~expenditure~~ financial assistance to the commission, as prescribed in the implementation plan of the board and the capital program of the commission. ~~Of this~~

(b) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount, ~~no more than not exceeding~~ \$1,500,000 ~~may be spent~~ for land acquisition and capital improvements for park and ride lots and transit transfer stations planned for the interstate highway described in section 161.123, clause (2), commonly known as I-394. These facilities may be constructed and maintained by the metropolitan transit commission. The board shall require, as a condition of financial assistance to the commission, that the commission make facilities it constructs, acquires, or improves for I-394 with funds provided under this provision available to all transit providers on a nondiscriminatory basis, as the board defines these terms.

Sec. 73. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

Subd. 1a. [BOARD.] "Board," unless the context indicates otherwise, means the water and soil resources board created in section 110B.35.

Sec. 74. Minnesota Statutes 1986, section 473.877, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the water and soil resources board for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Sec. 75. Minnesota Statutes 1986, section 473.8771, subdivision 1, is amended to read:

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the water and soil resources board for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3.

The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the water resources board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice

must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

(a) (i) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,

(b) (ii) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and

(c) (iii) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Sec. 76. Minnesota Statutes 1986, section 473.8771, subdivision 2, is amended to read:

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the water and soil resources board filed jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

(a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,

(b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Sec. 77. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water and soil resources board for review under section 112.46. Except as otherwise provided in this subdivision, the water and soil resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883. If the capital improvement program is the subject of a dispute between counties, the water and soil resources board shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Sec. 78. Minnesota Statutes 1986, section 473.878, subdivision 8, is amended to read:

Subd. 8. [ADOPTION; IMPLEMENTATION.] The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the water and soil resources board. A watershed district may implement its approved plan and approved capital improvement program by resolution of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the water and soil resources board, and to limit the cost and purposes of projects.

Sec. 79. [REPEALER.]

Minnesota Statutes 1986, sections 17.039; 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; 116C.41, subdivision 2; and 473.398, are repealed.

Sec. 80. [EFFECTIVE DATE.]

The appropriations allocated for the fiscal year ending June 30, 1987, in sections 5, subdivision 10, and 8, subdivision 2 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; requiring studies and reports; prescribing and providing for certain funds, accounts, taxes, fares, and fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 144.226, subdivision 3; 296.17, subdivision 9a; 297B.09, subdivision 2; 299A.23, subdivision 2; 299A.25, subdivisions 3 and 6; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; 473.39, subdivision 1a; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 17.039; 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; 116C.41, subdivision 2; and 473.398."

The motion prevailed and the amendment was adopted.

Waltman moved to amend S. F. No. 1516, as amended, as follows:

Page 2, line 7, delete "\$88,729,600" and insert "\$88,629,600" and delete "\$177,981,300" and insert "\$177,881,300"

Page 2, line 16, delete "\$1,022,653,400" and insert "\$1,022,553,400" and delete "\$2,045,202,900" and insert "\$2,045,102,900"

Page 20, line 27, delete "9,620,400" and insert "9,520,400"

Page 21, line 6, delete "325,000" and insert "225,000"

Page 21, delete lines 7 to 15

A roll call was requested and properly seconded.

The question was taken on the Waltman amendment and the roll was called. There were 40 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Kludt	Onnen	Stanisus
Bennett	Gruenes	Marsh	Quist	Swiggum
Blatz	Gutknecht	McDonald	Redalen	Swenson
Burger	Haukoos	McKasy	Richter	Thiede
Carlson, D.	Heap	McPherson	Rose	Tjornhom
Clausnitzer	Himle	Morrison	Schafer	Uphus
Dempsey	Hugoson	Olsen, S.	Schreiber	Valento
Frederick	Johnson, V.	Omann	Shaver	Waltman

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Jefferson	Lieder	Osthoff	Simoneau
Bauerly	Jennings	Long	Otis	Skoglund
Beard	Jensen	McEachern	Ozment	Solberg
Begich	Johnson, A.	McLaughlin	Pappas	Sparby
Bertram	Johnson, R.	Milbert	Pelowski	Steensma
Brown	Kahn	Minne	Peterson	Trimble
Carlson, L.	Kalis	Munger	Price	Tunheim
Carruthers	Kelly	Murphy	Quinn	Vanasek
Clark	Kelso	Nelson, C.	Reding	Voss
Cooper	Kinkel	Nelson, D.	Rest	Wagenius
Dauner	Knuth	Neuenschwander	Rice	Wenzel
DeBlicke	Kostohryz	O'Connor	Rodosovich	Winter
Dille	Krueger	Olson, E.	Sarna	Wynia
Dorn	Larsen	Olson, K.	Scheid	Spk. Norton

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

CALL OF THE HOUSE

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

Anderson, G.	Dauner	Jennings	Marsh	O'Connor
Anderson, R.	DeBlicke	Johnson, A.	McDonald	Olsen, S.
Battaglia	Dempsey	Johnson, R.	McEachern	Olson, E.
Bauerly	Dille	Kalis	McKasy	Olson, K.
Beard	Forsythe	Kelly	McLaughlin	Omann
Begich	Frederick	Kelso	McPherson	Onnen
Bennett	Frerichs	Kinkel	Milbert	Orenstein
Bertram	Greenfield	Kludt	Miller	Osthoff
Blatz	Gruenes	Knuth	Minne	Otis
Boo	Gutknecht	Kostohryz	Morrison	Ozment
Brown	Haukoos	Krueger	Munger	Pappas
Carlson, D.	Heap	Larsen	Murphy	Pelowski
Carlson, L.	Himle	Lasley	Nelson, C.	Peterson
Carruthers	Hugoson	Lieder	Nelson, D.	Poppenhagen
Clark	Jaros	Long	Neuenschwander	Price

Quist	Sarna	Simoneau	Tjornhom	Wagenius
Reding	Schafer	Skoglund	Tompkins	Waltman
Rest	Scheid	Solberg	Trimble	Wenzel
Rice	Schoenfeld	Sparby	Tunheim	Winter
Richter	Schreiber	Stanis	Uphus	Spk. Norton
Rodosovich	Seaberg	Steensma	Valento	
Rose	Segal	Sviggum	Vanasek	
Rukavina	Shaver	Thiede	Voss	

Vanasek 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.

Johnson, V.; Miller; Tompkins; Thiede and Schafer et al moved to amend S. F. No. 1516, as amended, as follows:

Pages 45 to 49, delete section 63 and insert:

"Sec. 63. Minnesota Statutes 1986, section 297B.09, subdivision 2, is amended to read:

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.] The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, 1984, or between July 1, 1985, and June 30, ~~1987~~ 1986, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, 1984, and before July 1, 1985, and 18.75 percent of the proceeds collected after June 30, 1986, and before July 1, 1987, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) Except as provided in paragraph (f), 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) Except as provided in paragraph (f), 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money

in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) Except as provided in paragraph (f), 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(f) The distributions under paragraphs (c), (d), and (e) to the highway user tax distribution fund shall be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance shall, prior to making the transfers required under subdivision 1 on July 15 and January 15 of each year, estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period under subdivision 1.

Sec. 64. [TRANSFER OF FUNDS.]

Notwithstanding Minnesota Statutes 1986, section 297B.09, subdivision 1, on or before June 30, 1987, the commissioner of finance shall transfer the amount specified for transfer under section 63 for fiscal year 1987 from the general fund to the highway user tax distribution fund and the transit assistance fund."

Renumber the sections in sequence

A roll call was requested and properly seconded.

The Speaker called Long to the Chair.

The question was taken on the Johnson, V., et al amendment and the roll was called.

Pursuant to rule 2.5, Bauerly requested that he be excused from voting on the Johnson, V., et al amendment to S. F. No. 1516, as amended. The request was granted.

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

There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	McKasy	Pauly	Sviggum
Bennett	Frerichs	McPherson	Pelowski	Swenson
Bishop	Gruenes	Milbert	Poppenhagen	Thiede
Blatz	Gutknecht	Miller	Quist	Tjornhom
Boo	Haukoos	Morrison	Redalen	Tompkins
Burger	Heap	Munger	Richter	Uphus
Carlson, D.	Himle	Nelson, C.	Rose	Valento
Clausnitzer	Hugoson	Olsen, S.	Schafer	Waltman
Cooper	Jensen	Olson, E.	Schreiber	Welle
Dauner	Johnson, V.	Olson, K.	Seaberg	Winter
Dempsey	Kelso	Omann	Shaver	
Dille	Marsh	Onnen	Sparby	
Forsythe	McDonald	Ozment	Stanisus	

Those who voted in the negative were:

Anderson, G.	Jefferson	Lieder	Peterson	Skoglund
Battaglia	Jennings	Long	Price	Solberg
Beard	Johnson, A.	McEachern	Quinn	Steensma
Begich	Johnson, R.	McLaughlin	Reding	Trimble
Bertram	Kahn	Minne	Rest	Tunheim
Brown	Kalis	Murphy	Rice	Vanasek
Carlson, L.	Kelly	Nelson, D.	Riveness	Voss
Carruthers	Kinkel	Nelson, K.	Rodosovich	Wagenius
Clark	Kludt	Neuenschwander	Rukavina	Wenzel
DeBlieck	Knuth	O'Connor	Sarna	Wynia
Dorn	Kostohryz	Orenstein	Scheid	Spk. Norton
Greenfield	Krueger	Osthoff	Schoenfeld	
Jacobs	Larsen	Otis	Segal	
Jaros	Lasley	Pappas	Simoneau	

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

Marsh, Hugoson and Frerichs moved to amend S. F. No. 1516, as amended, as follows:

Page 2, line 23, delete "865,537,600" and insert "866,537,600"

Page 2, line 23, delete "864,563,900" and insert "865,563,900"

Page 2, line 34, delete "4,492,200" and insert "5,492,200"

Page 2, line 34, delete "4,377,200" and insert "5,377,200"

Page 5, line 7, delete "4,912,500" and insert "5,912,500"

Page 5, line 7, delete "4,912,500" and insert "5,912,500"

Page 5, line 9, delete "3,765,000" and insert "4,765,000"

Page 5, line 9, delete "3,765,000" and insert "4,765,000"

Page 8, line 42, delete "20,126,500" and insert "19,126,500"

Page 8, line 42, delete "20,126,500" and insert "19,126,500"

Page 8, line 44, delete "15,526,500" and insert "14,526,500"

Page 8, line 44, delete "15,526,500" and insert "14,526,500"

Page 8, line 50, delete "11,721,500" and insert "10,721,500"

Page 8, line 50, delete "11,721,500" and insert "10,721,500"

A roll call was requested and properly seconded.

The question was taken on the Marsh et al amendment and the roll was called.

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

There were 47 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Johnson, R.	Olson, K.	Steensma
Bertram	Dille	Johnson, V.	Omann	Sviggum
Bishop	Dorn	Kinkel	Onnen	Swenson
Boo	Frederick	Kludt	Poppenhagen	Thiede
Brown	Frerichs	Marsh	Quist	Uphus
Burger	Gruenes	McDonald	Redalen	Waltman
Carlson, D.	Gutknecht	McKasy	Richter	Winter
Cooper	Haukoos	McPherson	Schafer	
Dauner	Hugoson	Miller	Schoenfeld	
DeBlick	Jennings	Olson, E.	Seaberg	

Those who voted in the negative were:

Anderson, G.	Begich	Carruthers	Greenfield	Jaros
Battaglia	Bennett	Clark	Heap	Jefferson
Bauerly	Blatz	Clausnitzer	Himle	Jensen
Beard	Carlson, L.	Forsythe	Jacobs	Johnson, A.

Kahn	Minne	Ozment	Sarna	Tunheim
Kalis	Morrison	Pappas	Scheid	Valento
Kelly	Munger	Pelowski	Schreiber	Vanasek
Kelso	Murphy	Peterson	Segal	Voss
Knuth	Nelson, C.	Price	Shaver	Wagenius
Kostohryz	Nelson, D.	Quinn	Simoneau	Welle
Krueger	Nelson, K.	Reding	Skoglund	Wenzel
Larsen	Neuenschwander	Rest	Solberg	Wynia
Lasley	O'Connor	Rice	Sparby	Spk. Norton
Long	Olsen, S.	Riveness	Stanisus	
McEachern	Orenstein	Rodosovich	Tjornhom	
McLaughlin	Osthoff	Rose	Tompkins	
Milbert	Otis	Rukavina	Trimble	

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

Gruenes; Carlson, D., and Johnson, V., moved to amend S. F. No. 1516, as amended, as follows:

Page 57, after line 17, insert:

"Sec. 79. [PROHIBITING HIGHWAY CONSTRUCTION MORATORIUM.]

Notwithstanding any executive directive to the contrary, the department of transportation must continue a program of highway construction, repair, and maintenance using available revenue and must not impose a moratorium on highway construction, repair, or maintenance."

Renumber the sections in sequence

Correct internal cross references

A roll call was requested and properly seconded.

The question was taken on the Gruenes et al amendment and the roll was called.

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

There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Clark	Forsythe	Himle
Anderson, R.	Blatz	Clausnitzer	Frederick	Hugoson
Battaglia	Boo	Cooper	Frerichs	Jacobs
Bauerly	Brown	Dauner	Greenfield	Jefferson
Beard	Burger	DeBlieck	Gruenes	Jennings
Begich	Carlson, D.	Dempsey	Gutknecht	Jensen
Bennett	Carlson, L.	Dille	Haukoos	Johnson, A.
Bertram	Carruthers	Dorn	Heap	Johnson, R.

Johnson, V.	McPherson	Osthoff	Rose	Tompkins
Kahn	Milbert	Otis	Rukavina	Trimble
Kalis	Miller	Ozment	Schafer	Tunheim
Kelly	Minne	Pappas	Scheid	Uphus
Kelso	Morrison	Pauly	Schoenfeld	Valento
Kinkel	Munger	Pelowski	Schreiber	Vanasek
Kludt	Murphy	Peterson	Seaberg	Voss
Knuth	Nelson, C.	Poppenhagen	Segal	Wagenius
Kostohryz	Nelson, D.	Price	Shaver	Waltman
Krueger	Nelson, K.	Quinn	Simoneau	Welle
Larsen	Neuenschwander	Quist	Skoglund	Wenzel
Lasley	O'Connor	Redalen	Solberg	Winter
Lieder	Olsen, S.	Reding	Sparby	Wynia
Long	Olson, E.	Rest	Stanius	Spk. Norton
Marsh	Olson, K.	Rice	Steensma	
McDonald	Omann	Richter	Svigum	
McKasy	Onnen	Riveness	Swenson	
McLaughlin	Orenstein	Rodosovich	Tjornhom	

The motion prevailed and the amendment was adopted.

McDonald offered an amendment to S. F. No. 1516, as amended.

POINT OF ORDER

Carlson, L., raised a point of order pursuant to rule 3.9 that the amendment was not in order. Speaker pro tempore Long ruled the point of order well taken and the amendment out of order.

Seaberg and Uphus moved to amend S. F. No. 1516, as amended, as follows:

Page 57, after line 17, insert:

"Sec. 79. [UNEXPENDED GENERAL FUND BALANCE.]

Notwithstanding any other law to the contrary, the commissioner of finance shall on June 30, 1987, transfer 25 percent of the unexpended balance in the general fund which is in excess of \$217,000,000, in the following manner:

(1) 75 percent must be transferred to the highway user tax distribution fund. The amount by which this transfer increases the balance in the trunk highway fund is hereby appropriated from the trunk highway fund to the commissioner of transportation for trunk highway development in the biennium ending June 30, 1989.

(2) 25 percent must be transferred to the transit assistance fund. Of the amount so transferred 80 percent is hereby appropriated to the regional transit board. The board must spend this money in the biennium ending June 30, 1989, 63.5 percent for regular route service, 32.5 percent for metro mobility and 4 percent for small urban rural and replacement services. The remainder of the amount

transferred to the transit assistance fund is appropriated to the commissioner of transportation for non-metropolitan transit assistance in the biennium ending June 30, 1989.

The total amount transferred from the general fund under this section may not exceed a sum equal to 25 percent of the revenues received from the motor vehicle excise tax imposed by Minnesota Statutes, section 297B.02, in the biennium ending June 30, 1987."

Renumber the remaining sections

A roll call was requested and properly seconded.

The question was taken on the Seaberg and Uphus amendment and the roll was called.

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

There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Johnson, V.	Omann	Shaver
Bennett	Dorn	Kelso	Onnen	Stanius
Bishop	Forsythe	Kludt	Ozment	Steensma
Blatz	Frederick	Marsh	Pauly	Sviggun
Boo	Frerichs	McDonald	Poppenhagen	Swenson
Burger	Gruenes	McKasy	Quist	Thiede
Carlson, D.	Gutknecht	McPherson	Redalen	Tjornhom
Clausnitzer	Haukoos	Milbert	Richter	Tompkins
Cooper	Heap	Miller	Rose	Uphus
Dauner	Himle	Morrison	Schafer	Valento
DeBlieck	Hugoson	Nelson, C.	Schreiber	Waltman
Dempsey	Jensen	Olsen, S.	Seaberg	Winter

Those who voted in the negative were:

Anderson, G.	Jennings	McEachern	Pappas	Segal
Battaglia	Johnson, A.	McLaughlin	Pelowski	Simoneau
Bauerly	Johnson, R.	Minne	Peterson	Skoglund
Beard	Kahn	Munger	Price	Solberg
Begich	Kalis	Murphy	Quinn	Sparby
Bertram	Kelly	Nelson, D.	Reding	Trimble
Brown	Kinkel	Nelson, K.	Rest	Tunheim
Carlson, L.	Knuth	Neuenschwander	Rice	Vanasek
Carruthers	Kostohryz	O'Connor	Riveness	Voss
Clark	Krueger	Olson, E.	Rodovich	Wagenius
Greenfield	Larsen	Olson, K.	Rukavina	Welle
Jacobs	Lasley	Orenstein	Sarna	Wenzel
Jaros	Lieder	Osthoff	Scheid	Wynia
Jefferson	Long	Otis	Schoenfeld	Spk. Norton

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

S. F. No. 1516, A bill for an act relating to the organization and operation of state government; appropriating money for the depart-

ment of transportation and other agencies with certain conditions; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 138.65; 138.91, by adding a subdivision; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; amending Laws 1975, chapter 235, section 2, as amended.

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 87 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jennings	McKasy	Pappas	Skoglund
Battaglia	Jensen	McLaughlin	Pelowski	Solberg
Bauerly	Johnson, A.	Milbert	Peterson	Sparby
Beard	Johnson, R.	Minne	Price	Steensma
Begich	Kahn	Morrison	Quinn	Swenson
Bertram	Kalis	Munger	Redalen	Trimble
Brown	Kelly	Murphy	Reding	Tunheim
Carlson, L.	Kelso	Nelson, C.	Rest	Vanasek
Carruthers	Kinkel	Nelson, D.	Rice	Voss
Clark	Kludt	Nelson, K.	Riveness	Wagenius
Cooper	Knuth	Neuenschwander	Rodosovich	Welle
Dauner	Kostohryz	O'Connor	Rukavina	Wenzel
DeBlieck	Krueger	Olsen, S.	Sarna	Winter
Dille	Larsen	Olson, E.	Scheid	Wynia
Dorn	Lasley	Olson, K.	Schoenfeld	Spk. Norton
Greenfield	Lieder	Orenstein	Seaberg	
Jacobs	Long	Osthoff	Segal	
Jefferson	McEachern	Otis	Simoneau	

Those who voted in the negative were:

Anderson, R.	Forsythe	Johnson, V.	Poppenhagen	Thiede
Bennett	Frederick	Marsh	Quist	Tjornhom
Bishop	Frerichs	McDonald	Richter	Tompkins
Blatz	Gruenes	McPherson	Rose	Uphus
Boo	Gutknecht	Miller	Schafer	Valento
Burger	Haukoos	Omann	Schreiber	Waltman
Carlson, D.	Heap	Onnen	Shaver	
Clausnitzer	Himle	Ozment	Stanisus	
Dempsey	Hugoson	Pauly	Svigum	

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

The Speaker resumed the Chair.

Nelson, K., was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 243.

H. F. No. 243 was reported to the House.

Quist, Forsythe, Sviggum, Onnen, Thiede and Gutknecht moved to amend H. F. No. 243, the first engrossment, as follows:

Page 19, after line 17, insert:

"The commissioner shall develop a plan to redetermine priorities within the department so that a minimum of twenty percent of the total general fund budget for the biennium beginning July 1, 1989, is targeted to AIDS research and prevention programs. The plan must be submitted to the legislature by January 1, 1989."

A roll call was requested and properly seconded.

Wynia moved to amend the Quist et al amendment to H. F. No. 243, the first engrossment, as follows:

In the Quist et al amendment, line 3, after "department" delete "so that a minimum of twenty percent of the total general fund budget for the biennium beginning July 1, 1989, is"

A roll call was requested and properly seconded.

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

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

There were 79 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Brown	Cooper	Dorn
Anderson, R.	Begich	Carlson, L.	Dauner	Greenfield
Battaglia	Bertram	Carruthers	DeBlieck	Jaros
Bauerly	Bishop	Clark	Dille	Jefferson

Jennings	Krueger	Nelson, C.	Price	Sparby
Jensen	Larsen	Nelson, D.	Reding	Steensma
Johnson, A.	Lasley	Neuenschwander	Rest	Trimble
Johnson, R.	Lieder	O'Connor	Riveness	Tunheim
Kahn	Long	Olsen, S.	Rodosovich	Vanasek
Kalis	McEachern	Olson, E.	Rukavina	Wagenius
Kelly	McLaughlin	Olson, K.	Sarna	Welle
Kelso	Milbert	Orenstein	Scheid	Wenzel
Kinkel	Minne	Otis	Schoenfeld	Winter
Kludt	Morrison	Pappas	Simoneau	Wynia
Knuth	Munger	Pelowski	Skoglund	Spk. Norton
Kostohryz	Murphy	Peterson	Solberg	

Those who voted in the negative were:

Bennett	Gruenes	McPherson	Redalen	Thiede
Blatz	Gutknecht	Miller	Richter	Tjornhom
Boo	Haukoos	Omann	Rose	Tompkins
Burger	Heap	Onnen	Schafer	Uphus
Carlson, D.	Himle	Osthoff	Schreiber	Valento
Clausnitzer	Hugoson	Ozment	Seaberg	Waltman
Dempsey	Johnson, V.	Pauly	Shaver	
Forsythe	Marsh	Poppenhagen	Stanis	
Frederick	McDonald	Quinn	Svigum	
Frerichs	McKasy	Quist	Swenson	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Quist et al amendment, as amended, and the roll was called.

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

There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Steensma
Sviggum
Swenson
Thiede

Tjornhom
Tompkins
Trimble
Tunheim

Uphus
Valento
Vanasek
Voss

Wagenius
Waltman
Welle
Wenzel

Winter
Wynia
Spk. Norton

The motion prevailed and the amendment, as amended, was adopted.

Solberg was excused for the remainder of today's session.

Quist, Morrison, Bishop, Sviggum and Gutknecht moved to amend H. F. No. 243, the first engrossment, as amended, as follows:

Page 156, after line 13, insert:

"Sec. 136. Minnesota Statutes 1986, section 517.08, subdivision 1a, is amended to read:

Subd. 1a. Application for a marriage license shall be made upon a form provided for the purpose and shall contain the following information:

the full names of the parties,

their post office addresses and county and state of residence,

their full ages,

if either party has previously been married, the party's married name, and the date, place and court in which the marriage was dissolved or annulled or the date and place of death of the former spouse,

if either party is a minor, the name and address of the minor's parents or guardian,

whether the parties are related to each other, and, if so, their relationship,

the name and date of birth of any child of which both parties are parents, born before the making of the application, unless their parental rights and the parent and child relationship with respect to the child have been terminated,

address of the bride and groom after the marriage to which the court administrator shall send a certified copy of the marriage certificate,

and the full names the parties will have after marriage,

and a signed statement from a physician or other qualified health care professional that the parties have undergone blood tests for human immunodeficiency virus (HIV) antibody. The statement must indicate that both parties are aware of the results of the test. The information is otherwise private data as defined in the Minnesota government data practices act."

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 2, line 4, after "10;" insert "517.08, subdivision 1a;"

A roll call was requested and properly seconded.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.10 that the second Quist et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

Price moved to amend the second Quist et al amendment to H. F. No. 243, the first engrossment, as amended, as follows:

In the second Quist et al amendment, page 1, line 36, delete "or other qualified"

Page 2, line 1, delete "health care professional"

A roll call was requested and properly seconded.

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

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

There were 87 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dille	Jensen	Kludt
Anderson, R.	Burger	Dorn	Johnson, A.	Knuth
Battaglia	Carlson, L.	Forsythe	Johnson, R.	Kostohryz
Bauerly	Carruthers	Greenfield	Kahn	Krueger
Beard	Clark	Jacobs	Kalis	Larsen
Begich	Cooper	Jaros	Kelly	Lasley
Bertram	Dauner	Jefferson	Kelso	Lieder
Bishop	DeBlieck	Jennings	Kinkel	Long

McEachern	O'Connor	Price	Schoenfeld	Voss
McLaughlin	Olsen, S.	Quinn	Segal	Wagenius
Milbert	Olson, E.	Reding	Simoneau	Welle
Minne	Olson, K.	Rest	Skoglund	Wenzel
Morrison	Orenstein	Rice	Sparby	Winter
Munger	Osthoff	Riveness	Steensma	Wynia
Murphy	Otis	Rodosovich	Tompkins	Spk. Norton
Nelson, C.	Pappas	Rukavina	Trimble	
Nelson, D.	Pelowski	Sarna	Tunheim	
Neuenschwander	Peterson	Scheid	Vanasek	

Those who voted in the negative were:

Bennett	Gutknecht	McPherson	Richter	Thiede
Blatz	Haukoos	Miller	Rose	Tjornhom
Boo	Heap	Omann	Schafer	Uphus
Carlson, D.	Himle	Onnen	Schreiber	Valento
Clausnitzer	Hugoson	Ozment	Seaberg	Waltman
Dempsey	Johnson, V.	Pauly	Shaver	
Frederick	Marsh	Poppenhagen	Stanisus	
Frerichs	McDonald	Quist	Sviggunn	
Gruenes	McKasy	Redalen	Swenson	

The motion prevailed and the amendment to the amendment was adopted.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.10 that the second Quist et al amendment, as amended, was not in order. The Speaker ruled the point of order not well taken and the amendment, as amended, in order.

The question recurred on the second Quist et al amendment, as amended, and the roll was called.

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

There were 85 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Kalis	Nelson, D.	Redalen
Anderson, R.	DeBlick	Kelso	Neuenschwander	Reding
Bauerly	Dempsey	Kinkel	O'Connor	Rest
Beard	Dille	Kludt	Olsen, S.	Richter
Bennett	Dorn	Knuth	Omann	Rose
Bertram	Frederick	Kostohryz	Onnen	Sarna
Bishop	Frerichs	Krueger	Osthoff	Schafer
Blatz	Gutknecht	Marsh	Ozment	Scheid
Boo	Haukoos	McDonald	Pauly	Schoenfeld
Brown	Heap	McEachern	Pelowski	Schreiber
Burger	Himle	McKasy	Peterson	Seaberg
Carlson, D.	Hugoson	McPherson	Poppenhagen	Shaver
Carlson, L.	Jacobs	Miller	Price	Stanisus
Clausnitzer	Jensen	Morrison	Quinn	Steensma
Cooper	Johnson, V.	Nelson, C.	Quist	Sviggunn

Swenson
Thiede

Tjornhom
Tompkins

Uphus
Valento

Wagenius
Waltman

Wenzel
Winter

Those who voted in the negative were:

Battaglia
Begich
Carruthers
Clark
Forsythe
Greenfield
Gruenes
Jaros

Jefferson
Jennings
Johnson, A.
Johnson, R.
Kahn
Kelly
Larsen
Lasley

Lieder
McLaughlin
Minne
Munger
Murphy
Olson, E.
Olson, K.
Orenstein

Otis
Pappas
Riveness
Rodosovich
Rukavina
Segal
Simoneau
Skoglund

Sparby
Trimble
Tunheim
Vanasek
Voss
Welle
Wynia
Spk. Norton

The motion prevailed and the amendment, as amended, was adopted.

Quist, Onnen, Thiede and Gutknecht offered an amendment to H. F. No. 243, the first engrossment, as amended.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.9 that the Quist et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

McPherson moved to amend H. F. No. 243, the first engrossment, as amended, as follows:

Page 5, after line 29, insert:

"Of this amount \$95,000 in fiscal year 1988 and \$105,000 in fiscal year 1989 is for continued funding for People House"

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

Gruenes moved to amend H. F. No. 243, the first engrossment, as amended, as follows:

Page 71, line 19, delete everything after the period

Page 71, delete lines 20 to 23

A roll call was requested and properly seconded.

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

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

There were 57 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Kinkel	Omann	Swiggum
Bauerly	Dille	Kludt	Onnen	Swenson
Bertram	Dorn	Krueger	Pauly	Thiede
Bishop	Frederick	Lieder	Poppenhagen	Tunheim
Boo	Frerichs	Marsh	Quist	Uphus
Brown	Gruenes	McDonald	Redalen	Waltman
Burger	Gutknecht	McEachern	Richter	Welle
Carlson, D.	Haukoos	McKasy	Schafer	Wenzel
Clausnitzer	Hugoson	Morrison	Schoenfeld	Winter
Cooper	Johnson, R.	Nelson, C.	Seaberg	
Dauner	Johnson, V.	Neuenschwander	Shaver	
DeBlick	Kalis	Olson, K.	Sparby	

Those who voted in the negative were:

Battaglia	Jefferson	Milbert	Reding	Steensma
Beard	Jennings	Minne	Rest	Tjornhom
Begich	Jensen	Munger	Rice	Tompkins
Bennett	Johnson, A.	Murphy	Riveness	Trimble
Blatz	Kahn	O'Connor	Rodosovich	Valento
Carlson, L.	Kelly	Olsen, S.	Rose	Vanasek
Carruthers	Kelso	Olson, E.	Rukavina	Voss
Clark	Knuth	Orenstein	Sarna	Wagenius
Forsythe	Kostohryz	Osthoff	Scheid	Wynia
Greenfield	Larsen	Otis	Schreiber	Spk. Norton
Heap	Lasley	Ozment	Segal	
Himle	Long	Peterson	Simoneau	
Jacobs	McLaughlin	Price	Skoglund	
Jaros	McPherson	Quinn	Stanisus	

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

Schreiber and Stanisus moved to amend H. F. No. 243, the first engrossment, as amended, as follows:

Page 7, line 31, delete "147,156,400" and insert "161,552,900" and delete "147,443,900" and insert "161,840,400"

Page 8, line 36, delete "413,873,500" and insert "399,477,000" and delete "447,225,500" and insert "432,829,000"

Page 54, after line 11, insert:

"Sec. 34. Minnesota Statutes 1986, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] Based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month,

upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to ~~70~~ 90 percent of the difference between the total estimated cost and the federal funds so available for payments made after ~~December 31, 1979 and before January 1, 1981~~, and 85 percent of the difference for payments made after ~~December 31, 1980~~ June 30, 1987. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month."

Page 117, after line 21, insert:

"Sec. 84. Minnesota Statutes 1986, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After ~~December 31, 1980~~ June 30, 1987, state aid shall be paid to local agencies for ~~75~~ 90 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1a, and according to procedures established by the commissioner.

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

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

Page 132, after line 29, insert:

"Sec. 100. Minnesota Statutes 1986, section 256D.36, subdivision 1, is amended to read:

Subdivision 1. Commencing January 1, 1974, the commissioner shall certify to each local agency the names of all county residents who were eligible for and did receive aid during December, 1973 pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. From and after January 1, 1980, until January 1, 1981, the state shall pay 70 percent and the county shall pay 30 percent of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income. After December 31, 1980, the state shall pay 85 percent and the county shall pay 15 percent of the aid. After June 30, 1987, the state shall pay 90 percent and the

county shall pay 10 percent of the aid. The amount of supplemental aid for each individual eligible under this section shall be calculated pursuant to the formula prescribed in title II, section 212 (a) (3) of Public Law Number 93-66, as amended."

Renumber the sections in order

Correct the internal references

Amend the title as follows:

Page 1, line 17, after "2," insert "256.82, subdivision 1;"

Page 1, line 29, after the second "subdivisions" insert "2"

Page 1, line 34, after "256D.22;" insert "256D.36, subdivision 1;"

A roll call was requested and properly seconded.

The question was taken on the Schreiber and Stanius amendment and the roll was called.

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

There were 53 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	McDonald	Poppenhagen	Stanius
Bishop	Gruenes	McKasy	Quinn	Sviggum
Blatz	Gutknecht	McPherson	Quist	Swenson
Boo	Haukoos	Miller	Redalen	Thiede
Burger	Heap	Morrison	Richter	Tjornhom
Carlson, D.	Himle	Olsen, S.	Rose	Tompkins
Clausnitzer	Hugoson	Omann	Schafer	Uphus
Dempsey	Johnson, R.	Onnen	Scheid	Valento
Dille	Johnson, V.	Osthoff	Schreiber	Waltman
Forsythe	Kinkel	Ozment	Seaberg	
Frederick	Marsh	Pauly	Shaver	

Those who voted in the negative were:

Anderson, G.	DeBlick	Kludt	Murphy	Rice
Anderson, R.	Dorn	Knuth	Nelson, C.	Riveness
Battaglia	Greenfield	Kostohryz	Neuenschwander	Rodosovich
Bauerly	Jacobs	Krueger	O'Connor	Rukavina
Beard	Jaros	Larsen	Olson, E.	Sarna
Begich	Jefferson	Lasley	Olson, K.	Schoenfeld
Bertram	Jennings	Lieder	Orenstein	Segal
Brown	Jensen	Long	Otis	Simoneau
Carlson, L.	Johnson, A.	McEachern	Pelowski	Skoglund
Carruthers	Kahn	McLaughlin	Peterson	Sparby
Clark	Kalis	Milbert	Price	Steensma
Cooper	Kelly	Minne	Reding	Trimble
Dauner	Kelso	Munger	Rest	Tunheim

Vanasek
Voss

Wagenius
Welle

Wenzel
Winter

Wynia
Spk. Norton

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

Stanius and Sviggum moved to amend H.F. No. 243, the first engrossment, as amended, as follows:

Page 2, line 34, delete "1,088,344,600" and insert "1,088,653,400"; delete "1,135,864,800" and insert "1,135,556,000"

Page 3, line 2, delete "1,096,061,200" and insert "1,096,370,000"; delete "1,143,598,700" and insert "1,143,289,900"

Page 3, line 10, delete "928,601,400" and insert "926,665,200"; delete "978,242,800" and insert "975,689,000"

Page 6, line 39, delete "609,967,200" and insert "608,031,000"; delete "647,031,600" and insert "644,459,800"

Page 7, line 31, delete "147,156,400" and insert "145,220,200"; delete "147,443,900" and insert "144,890,100"

Page 12, line 46, delete "30,102,200" and insert "30,852,200"; delete "27,830,800" and insert "28,580,800"

Page 14, line 16, delete "20,583,500" and insert "21,333,500"; delete "20,497,100" and insert "21,247,100"

Page 16, line 38, delete "98,104,400" and insert "98,699,400"; delete "98,069,200" and insert "98,664,200"

Page 17, line 3, delete "23,213,900" and insert "23,808,900"; delete "24,901,900" and insert "25,496,900"

Page 17, after line 42, insert:

"Of this appropriation, \$647,000 the first year and \$500,000 the second year are for battered women grants.

Of this appropriation, \$75,000 the first year and \$75,000 the second year are for sexual assault grants.

Of this appropriation, \$20,000 the first year and \$20,000 the second

year are for crime victim centers grants."

Page 18, line 23, delete "30,853,500" and insert "31,753,500"; delete "31,189,400" and insert "32,089,400"

Page 19, line 31, delete "20,399,600" and insert "21,299,600"; delete "20,392,900" and insert "21,292,900"

Page 19, line 37, delete "\$100,000" and insert "\$900,000"

Page 160, delete lines 4 and 5

Page 160, line 9, delete "Section 144,"

Page 160, delete line 10

Renumber sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius and Sviggum amendment and the roll was called.

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

There were 52 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	McDonald	Poppenhagen	Sviggum
Bennett	Frederick	McKasy	Quist	Swenson
Bishop	Frerichs	McPherson	Redalen	Thiede
Blatz	Gruenes	Miller	Richter	Tjornhom
Boo	Gutknecht	Morrison	Rose	Tompkins
Burger	Haukoos	Olsen, S.	Schafer	Uphus
Carlson, D.	Heap	Omann	Schoenfeld	Valento
Clausnitzer	Himle	Onnen	Schreiber	Waltman
Cooper	Hugoson	Osthoff	Seaberg	
Dempsey	Johnson, V.	Ozment	Shaver	
Dille	Marsh	Pauly	Stanis	

Those who voted in the negative were:

Anderson, G.	Carruthers	Jaros	Kalis	Krueger
Battaglia	Clark	Jefferson	Kelly	Larsen
Bauerly	Dauner	Jennings	Kelso	Lasley
Beard	DeBlick	Jensen	Kinkel	Lieder
Begich	Dorn	Johnson, A.	Kludt	Long
Bertram	Greenfield	Johnson, R.	Knuth	McLaughlin
Carlson, L.	Jacobs	Kahn	Kostohryz	Minne

Munger	Otis	Rice	Sparby	Wenzel
Murphy	Pappas	Riveness	Steensma	Winter
Nelson, C.	Pelowski	Rodosovich	Trimble	Wynia
Neuenschwander	Peterson	Rukavina	Tunheim	Spk. Norton
O'Connor	Price	Scheid	Vanasek	
Olson, E.	Quinn	Segal	Voss	
Olson, K.	Reding	Simoneau	Wagenius	
Orenstein	Rest	Skoglund	Welle	

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

H. F. No. 243, A bill for an act relating to the organization and operation of state government; appropriating money for human services, corrections, health, economic security, and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 15A.081, subdivision 1; 86.33, subdivisions 2 and 3; 136C.06; 144.55, subdivision 6; 144.68; 144.69; 144A.05; 144A.071, subdivision 3; 144A.27; 144A.33, subdivision 3; 171.29, subdivision 2; 245.713, subdivision 2; 246.50, subdivisions 3, 4a, 5, 7, and by adding a subdivision; 246.51; 246.511; 251.011, subdivision 6; 252.275, subdivisions 1, 2, 4, and 7; 256.01, subdivisions 2 and 4; 256.045, subdivision 3; 256.73, by adding a subdivision; 256.736, subdivisions 3, 4, 6, and by adding subdivisions; 256.74, subdivision 1; 256.969, subdivision 2; 256.98; 256B.02, subdivision 8, and by adding a subdivision; 256B.03, subdivision 1; 256B.04, subdivisions 14 and 15; 256B.06, subdivision 1, and by adding a subdivision; 256B.064, subdivision 1a; 256B.15; 256B.17, subdivisions 4 and 5; 256B.19; subdivision 1; 256B.35, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2b, 2e, 3a, 4, and by adding subdivisions; 256B.433; 256B.47, subdivision 1, and by adding subdivisions; 256B.48, subdivisions 1 and 6; 256B.50, subdivision 2; 256B.69, subdivisions 6, 11, and by adding subdivisions; 256C.26; 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.03, subdivisions 3, 4, and by adding a subdivision; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 1, 6, and by adding a subdivision; 256D.06, subdivisions 1, 1b, 2, 3, and 6; 256D.08, subdivision 1; 256D.101; 256D.15; 256D.22; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.06, by adding a subdivision; 256E.07, by adding a subdivision; 256E.12, subdivision 3; 257.35; 257.351, subdivision 15, and by adding subdivisions; 257.354, subdivision 4, and by adding a subdivision; 268.0111, subdivision 8; 268.0122, subdivisions 2 and 3; 268.36; 268.37, subdivision 3; 268.673, subdivision 5, and by adding a subdivision; 268.6751; 268.676; 268.677, subdivision 1; 268.678, subdivisions 1 and 4; 268.681, subdivision 2, and by adding a subdivision; 268.85, subdivision 2; 268.86, subdivisions 1, 2, and 4; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.88; 268.89, subdivision 2; 268.91, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 268.911, subdivision 1; 393.07, subdivision 10; 524.3-1201; proposing coding for new law in Minnesota Statutes, chapters 62D; 144; 144A; 245; 246; 256; 256B; 256D; 256E; 257; and 268; repealing Minnesota Statutes 1986, sections 116J.035, subdivision 3; 116L.04, subdivision 3; 136.63, subdivision 1b; 144.66; 144.67; 178.03, subdi-

vision 5; 245.69, subdivision 1a; 245.713, subdivisions 1 and 3; 245.73; 245.74; 245.76; 256.966, subdivision 2; 256B.05, subdivision 4; 256B.07; 256D.051, subdivisions 4, 5, 11, and 12; 256E.12; 267.01; 267.02; 267.03; 267.04; 267.05; 267.06; and 268.0111, 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.

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

There were 91 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Orenstein	Seaberg
Anderson, R.	Jacobs	Lasley	Otis	Segal
Battaglia	Jaros	Lieder	Ozment	Simoneau
Bauerly	Jefferson	Long	Pappas	Skoglund
Beard	Jennings	McEachern	Pelowski	Sparby
Begich	Jensen	McKasy	Peterson	Stanis
Bertram	Johnson, A.	McLaughlin	Price	Swenson
Bishop	Johnson, R.	Milbert	Quinn	Tompkins
Blatz	Johnson, V.	Minne	Quist	Trimble
Brown	Kahn	Morrison	Reding	Tunheim
Carlson, L.	Kalis	Munger	Rest	Valento
Carruthers	Kelly	Murphy	Rice	Vanasek
Clark	Kelso	Nelson, C.	Riveness	Voss
Cooper	Kinkel	Nelson, D.	Rodosovich	Wagenius
Dauner	Kludt	Neuenschwander	Rukavina	Welle
DeBlieck	Knuth	O'Connor	Sarna	Wenzel
Dorn	Kostohryz	Olson, E.	Scheid	Winter
Frederick	Krueger	Olson, K.	Schoenfeld	Wynia
				Spk. Norton

Those who voted in the negative were:

Bennett	Frerichs	McDonald	Poppenhagen	Sviggunn
Boo	Gruenes	McPherson	Redalen	Thiede
Burger	Gutknecht	Miller	Richter	Tjornhom
Carlson, D.	Haukoos	Olsen, S.	Rose	Uphus
Clausnitzer	Heap	Omann	Schafer	Waltman
Dempsey	Himle	Onnen	Schreiber	
Dille	Hugoson	Osthoff	Shaver	
Forsythe	Marsh	Pauly	Steensma	

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

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 753, A bill for an act relating to education; providing aids to education, aids to libraries, appropriations to the state academies for the deaf and blind, and the department of education; changing secondary pupil unit weighting; establishing a formula equity allowance; changing the calculation of special education aid; increasing the community education formula; changing the capital expenditure formula; changing the secondary vocational funding formula; increasing desegregation levies and appropriating desegregation aid; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1 and 1a; 43A.18, subdivision 4; 118.12; 118.13; 118.14; 120.03, subdivision 1; 120.0752, by adding a subdivision; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.609, subdivision 4; 121.612, subdivisions 3, 5, and by adding subdivisions; 121.87, subdivision 1, and by adding a subdivision; 121.88, subdivision 2, and by adding a subdivision; 121.935, subdivision 6; 121.936, subdivision 1; 122.541, subdivision 2; 123.36, subdivision 13; 123.39, subdivision 1, and by adding a subdivision; 123.58, subdivisions 6 and 8a; 123.705, subdivision 1; 124.05, subdivision 1; 124.17, subdivisions 1 and 1a; 124.195, subdivision 9; 124.2138, subdivision 4, and by adding a subdivision; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, 10, and by adding a subdivision; 124.245, subdivisions 1, 3, and by adding subdivisions; 124.246, subdivision 2; 124.247, subdivision 3; 124.252, subdivision 3; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.272, subdivision 1; 124.273, subdivision 1b, and by adding subdivisions; 124.32; 124.481; 124.524, by adding a subdivision; 124.573; 124.574, subdivisions 2b, 3, 4, and by adding subdivisions; 124.646, subdivision 1; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding subdivisions; 124A.03, subdivisions 1a, 3, and by adding a subdivision; 124A.033, subdivision 2; 124A.036, by adding a subdivision; 124A.06; 124A.08, subdivisions 1, 3a, and 5; 124A.10, subdivision 1, and by adding a subdivision; 124A.12, subdivision 1; 124A.14, subdivision 4; 125.03, subdivision 5; 125.05, subdivision 1; 125.185, subdivision 4; 125.611, subdivisions 10, 11, 12, and 13; 126.02, subdivision 2; 126.48, by adding a subdivision; 126.56, subdivisions 3 and 6; 126.65; 126.66, subdivisions 1, 6, and by adding subdivisions; 126.67, subdivisions 1, 1a, 2a, 3a, 6, and 9; 126.81, subdivision 2; 129B.041, subdivisions 1 and 3; 134.10; 136D.27; 136D.71; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5, 6e, 8c, 9, 11a, 11c, and by adding subdivi-

sions; Laws 1984, chapter 463, article 6, section 15, subdivision 1; Laws 1986, First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 43A; 121; 122; 123; 124A; 125; 126; 128A; 129B; and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 123.937; 124.05, subdivision 2; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.273, subdivision 2b; 124.275; 124A.20; 125.611, subdivisions 8 and 9; 129B.01; 129B.02; 129B.04; 129B.041, subdivision 4; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.37; and 275.125, subdivision 5d.

PATRICK E. FLAHAVEN, Secretary of the Senate

McEachern moved that the House refuse to concur in the Senate amendments to H. F. No. 753, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

CONSENT CALENDAR

Vanasek moved that the bill on the Consent Calendar for today be continued one day. The motion prevailed.

SPECIAL ORDERS

Vanasek moved that the 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

Long moved that H. F. No. 297, now on General Orders, be re-referred to the Committee on Judiciary. The motion prevailed.

Minne moved that H. F. No. 208, now on General Orders, be re-referred to the Committee on Judiciary. The motion prevailed.

Anderson, G., moved that H. F. No. 837 be returned to its author. The motion prevailed.

Anderson, G., moved that H. F. No. 1635 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 753:

Nelson, K.; McEachern; Vellenga; Bauerly and Ozment.

Thiede moved that the following statement be printed in the permanent Journal of the House:

"I was excused pursuant to the Rules of the House on Friday, May 1, 1987, when the final vote was taken on S. F. No. 1515. Had I been present, I would have voted Yea." The motion prevailed.

ADJOURNMENT

Vanasek moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, May 4, 1987. The motion prevailed.

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Monday, May 4, 1987.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

