

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1987

FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 14, 1987

The House of Representatives convened at 11:00 a.m. and was called to order by Fred C. Norton, Speaker of the House.

Prayer was offered by the Reverend Tim Johnson, Pastor at Cherokee Park United Church on St. Paul's West Side, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Blatz was excused until 11:55 a.m. McKasy was excused until 12:05 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Skoglund moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

Anderson, R., and Carlson, D., were excused while in conference.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 12, 549, 944, 1153, 1176, 1459, 727, 938 and 913 and S. F. Nos. 1280, 1210, 1260, 1449, 686, 704, 896, 966, 451, 533, 575, 875, 1095, 1307, 63, 478 and 806 have been placed in the members' files.

S. F. No. 451 and H. F. No. 629, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 451 be substituted for H. F. No. 629 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1280 and H. F. No. 413, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jensen moved that the rules be so far suspended that S. F. No. 1280 be substituted for H. F. No. 413 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 1987

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

Dear Sir:

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

H. F. No. 499, relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

H. F. No. 1042, relating to motor carriers; exempting drivers of intrastate charter carriers from having in possession a medical examiner certificate if the driver has a school bus endorsement; amending Minnesota Statutes 1986, section 221.031, by adding a subdivision.

Sincerely,

RUDY PERPICH
Governor

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

May 5, 1987

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

The Honorable Jerome M. Hughes
President of the Senate

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

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1987</i>	<i>Date Filed 1987</i>
793		52	May 5, 1987	May 5, 1987
	499	53	May 5, 1987	May 5, 1987
	1042	54	May 5, 1987	May 5, 1987

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 6, 1987

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

Dear Sir:

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

H. F. No. 750, relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

H. F. No. 839, relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points under certain circumstances; amending Minnesota Statutes 1986, section 403.02, subdivision 6, and by adding a subdivision.

Sincerely,

RUDY PERPICH
Governor

52nd Day]

THURSDAY, MAY 14, 1987

5101

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 7, 1987

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

Dear Sir:

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

H. F. No. 469, relating to food licenses; regulating certain vending machine inspection fees; amending Minnesota Statutes 1986, section 28A.09, subdivision 1.

H. F. No. 1355, relating to the city of Minneapolis; giving the city certain powers pertaining to conventions and tourism activities; providing for the use of certain tax revenues; amending Laws 1986, chapter 396, sections 2, subdivision 1; and 4, subdivisions 2 and 3.

Sincerely,

RUDY PERPICH
Governor

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

May 7, 1987

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

The Honorable Jerome M. Hughes
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	1355	55	May 7, 1987	May 7, 1987
	839	56	May 6, 1987	May 7, 1987
	750	57	May 6, 1987	May 7, 1987
	469	58	May 7, 1987	May 7, 1987
59		59	May 7, 1987	May 7, 1987
157		60	May 6, 1987	May 7, 1987
161		61	May 6, 1987	May 7, 1987
248		62	May 6, 1987	May 7, 1987
324		63	May 6, 1987	May 7, 1987
341		64	May 6, 1987	May 7, 1987
470		65	May 7, 1987	May 7, 1987
698		66	May 6, 1987	May 7, 1987
721		67	May 6, 1987	May 7, 1987
863		68	May 7, 1987	May 7, 1987
922		69	May 7, 1987	May 7, 1987
1015		70	May 7, 1987	May 7, 1987
1349		71	May 6, 1987	May 7, 1987

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 303, A bill for an act relating to agriculture; changing the shade tree disease control program; imposing certain penalties; eliminating certain audit requirements and an insurance limitation; changing the cooperative associations law; amending Minnesota Statutes 1986, sections 18.023, subdivisions 1, 1a, and 9; 28A.08; 40.071; 308.58, subdivision 2; 308.62; 308.77; 308.83; and 308.85; repealing Minnesota Statutes 1986, sections 38.02, subdivision 2; 38.13; 308.71; 308.82; 308.84; and 308.901 to 308.92.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 18.023, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in subdivisions 1 to 12 the terms defined in this subdivision shall have the meanings given them.

(a) "Metropolitan area" means the area comprising the counties of Hennepin, Ramsey, Anoka, Dakota, Washington, Scott and Carver.

(b) "Commissioner" means the commissioner of agriculture.

(c) "Municipality" means any home rule charter or statutory city or any town exercising municipal powers pursuant to section 368.01, or any general or special law, located in the metropolitan area; or any special park district as organized under chapter 398; or any special purpose park and recreation board organized under the city charter of a city of the first class located in the metropolitan area; or any county in the metropolitan area for the purposes of county owned property or any portion of a county located outside the geographic boundaries of a city or town exercising municipal powers; and any municipality or county located outside the metropolitan area with an approved disease control program.

(d) "Shade tree disease" means Dutch elm disease or, oak wilt disease, or any disorder affecting the growth and life of shade trees.

(e) "Wood utilization or disposal system" means facilities, equipment or systems used for the removal and disposal of diseased shade trees which includes the collection, transportation, processing or storage of wood and which aids in the recovery of materials or energy from wood.

(f) "Approved disease control program" means the municipal plan as approved by the commissioner to control shade tree disease.

(g) "Disease control area" means an area approved by the commissioner within which a municipality will conduct an approved disease control program.

(h) "Sanitation" means the identification, inspection, disruption of a common root system, girdling, trimming, removal and disposal of dead or diseased wood of elm or oak shade trees, including subsidies for trees removed pursuant to subdivision 4, on public or private property within a disease control area.

(i) "Reforestation" means the replacement of shade trees removed from public property and the planting of any species of tree as part of a municipal disease control program. For purposes of this clause, "public property" shall include private property within five feet of the boulevard or street terrace in any city which has enacted an ordinance on or before January 1, 1977, that prohibits or requires a permit for the planting of trees in the public right-of-way.

Sec. 2. 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 and penalties and for not obtaining a license before conducting business in food handling that are 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. The late penalty may be waived by the commissioner.

Type of food handler	License Fee		Penalties Penalty Late Renewal		No License
1. Retail food handler					
(a) Having gross sales of less than \$50,000 for the immediately previous license or fiscal year	\$ 25	\$ 40	\$10		\$ 13
(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$ 50	\$ 75	\$13	\$ 25	\$ 25
(c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$100	\$125	\$25	\$ 50	\$ 50
(d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200	\$250	\$50	\$ 75	\$100
2. Wholesale food handler					
(a) Having gross sales or service or less than \$250,000 for the immediately previous license or fiscal year	\$100		\$25		\$ 50
(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$150		\$38		\$ 75
(c) Having over \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$200		\$50		\$100

3. Food broker	\$ 50	\$ 75	\$13	\$ 25	\$ 25
4. Wholesale food processor or manufacturer					
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$150	\$200	\$38	\$ 50	\$ 75
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200	\$275	\$50	\$ 75	\$100
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$250	\$375	\$63	\$100	\$125
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	\$100	\$19	\$ 25	\$ 38
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 90	\$150	\$23	\$ 50	\$ 45
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$105	\$175	\$27	\$ 50	\$ 53
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30		\$10		\$ 15

Sec. 3. Minnesota Statutes 1986, section 31.101, subdivision 3, is amended to read:

Subd. 3. Federal pesticide chemical regulations and amendments thereto in effect on April 1, 1982 1987 adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 4. Minnesota Statutes 1986, section 31.101, subdivision 4, is amended to read:

Subd. 4. Federal food additive regulations and amendments thereto in effect on April 1, 1982 1987, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 5. Minnesota Statutes 1986, section 31.101, subdivision 5, is amended to read:

Subd. 5. Federal color additive regulations and amendments thereto in effect on April 1, 1982 1987, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 6. Minnesota Statutes 1986, section 31.101, subdivision 6, is amended to read:

Subd. 6. Federal special dietary use regulations and amendments thereto in effect on April 1, 1982 1987, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 7. Minnesota Statutes 1986, section 31.101, subdivision 7, is amended to read:

Subd. 7. Federal regulations and amendments thereto in effect on April 1, 1982 1987 adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that the commissioner shall not adopt amendments to such rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations promulgated thereunder.

Sec. 8. Minnesota Statutes 1986, section 31.101, subdivision 8, is amended to read:

Subd. 8. Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect April 1, 1982 1987, and not otherwise adopted herein, also are adopted as food rules of this state. Such rules may be amended by the commissioner in accordance with the administrative procedure act.

Sec. 9. Minnesota Statutes 1986, section 40.071, is amended to read:

40.071 [ADDITIONAL POWERS OF A DISTRICT.]

In addition to powers and duties otherwise provided by law, a soil and water conservation district may procure liability insurance as

provided in section 466.06, automobile insurance on personal cars while used on official business vehicles owned or leased by the districts, insurance on the contents of district offices up to a maximum of \$7,500 per office, and workers' compensation insurance, or may require the county or counties in which the district is located to include the district in the county's or counties' insurance coverage for these purposes.

Sec. 10. Minnesota Statutes 1986, section 308.58, subdivision 2, is amended to read:

Subd. 2. [WHERE FILED; EVIDENCE.] The articles must be subscribed by the several incorporators and acknowledged by one of them before an officer authorized by the law of this state to take and certify acknowledgment of deeds and conveyances; and shall be filed in the office of the secretary of state, and when so filed such incorporation shall be complete and a certified copy of the articles shall be filed with the commissioner of agriculture. The articles, or certified copies thereof, shall be received in all the courts of this state, and other places, as prima facie evidence of the facts contained therein and of the due incorporation of such association.

Sec. 11. Minnesota Statutes 1986, section 308.62, is amended to read:

308.62 [DIRECTORS; ELECTION.]

The affairs of the association shall be managed by a board of not less than five directors, elected by the members or stockholders from their own number, except as hereinafter provided. The bylaws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to such districts. In such case the bylaws shall specify the number of directors to be elected by each district, the manner and method of apportioning or reapportioning the directors, and of districting or redistricting the territory covered by the association. The bylaws may provide that primary elections should be held in each district to elect the directors apportioned to such districts, and the result of all such primary elections must be ratified by the next regular meeting of the association, or may be considered final by the association.

The bylaws shall provide that one or more directors may be appointed by the commissioner or any other public official or commission. The director or directors so appointed need not be members or stockholders of the association, but shall have the same powers and rights as other directors. Such directors shall not number more than one-fifth of the entire number of directors.

An association may provide a fair remuneration for the time actually spent by its officials and directors in its service. No director,

while serving in office, shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the association, or to any other kind of contract differing from terms generally current in that district.

The bylaws may provide that no director shall occupy any position in the association, except the president and secretary on regular salary or substantially full-time pay.

The bylaws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

When a vacancy on the board of directors occurs, other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy, unless the bylaws provide for an election of directors by district. In such a case the board of directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

Sec. 12. Minnesota Statutes 1986, section 308.77, is amended to read:

308.77 [ASSOCIATION HERETOFORE ORGANIZED MAY ADOPT PROVISIONS.]

Any corporation or association organized under previously existing statutes may, by a majority vote of its stockholders or members, be brought under the provisions of sections 308.53 to 308.85 by limiting its membership and adopting the other restrictions, as provided therein. It shall make out, in duplicate, a statement signed and sworn to by its directors, upon forms supplied by the commissioner of agriculture, to the effect that the corporation or association has, by a majority vote of its stockholders or members, decided to accept the benefits and be bound by the provisions of sections 308.53 to 308.85. Articles of incorporation shall be filed as required in section 308.58, except that they shall be signed by the members of the board of directors. The filing fee shall be the same as for filing an amendment to the articles of incorporation. Where any association or corporation may be incorporated or brought under sections 308.53 to 308.85, all contracts heretofore made by or on behalf of the same by the promoters thereof in anticipation of such association becoming incorporated under the laws of this state or otherwise, including such contracts made by or in the name of some corporation organized elsewhere, and when same would have been valid, if entered into subsequent to the passage of Laws 1923, chapter 264, are hereby accepted and validated as if made after that date. Cooperative corporations and associations heretofore or hereafter organized and doing business under the existing law or laws supplementary thereto or amendatory thereof shall continue to be governed thereby

unless and until they shall elect to be brought under the provisions of sections 308.53 to 308.85 in the manner provided in this section.

Sec. 13. Minnesota Statutes 1986, section 308.83, is amended to read:

308.83 [GOVERNOR TO ACT UPON REPORT.]

The governor shall have the power to remove from office any officer or director of any association, such removal to be upon such notice to the association and to the officers or directors thereof as shall be prescribed by the governor. In case ~~the commissioner has decided that~~ the further operation of any such association is deemed hazardous to the public interest, ~~and so reports to the governor,~~ the governor may refer the matter of winding up the affairs of such association to the attorney general and it shall thereupon be the duty of the attorney general to proceed to wind up the affairs of any such association in the manner provided by law for winding up the business of insolvent banking institutions in the state.

Sec. 14. Minnesota Statutes 1986, section 308.85, is amended to read:

308.85 [FEES.]

For filing articles of incorporation, or amendments thereto, any association organized under sections 308.29 to ~~308.84~~ 308.85 shall pay \$15.

Sec. 15. [REPEALER.]

Minnesota Statutes 1986, sections 38.02, subdivision 2; and 38.13, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the shade tree disease control program; imposing certain penalties; eliminating certain audit requirements and an insurance limitation; changing the cooperative associations law; amending Minnesota Statutes 1986, sections 18.023, subdivision 1; 28A.08; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 40.071; 308.58, subdivision 2; 308.62; 308.77; 308.83; and 308.85; repealing Minnesota Statutes 1986, sections 38.02, subdivision 2; and 38.13."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 379, A bill for an act relating to appropriations; appropriating money to the commissioner of natural resources to replace income lost to state trust funds when certain timber permits were canceled.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Sec. 2. [TIMBER RELEASED FROM TRUST FOR FIVE-YEAR PERIOD; DISPOSITION OF INCOME.]

Upon receipt by the permanent school fund of the funds necessary to replace lost income, as appropriated by section 1, the timber on the state trust fund lands covered by the canceled permits shall be released from the trust for a period of five years. During that five-year period, the commissioner of natural resources shall attempt to sell, recycle, or dispose of the timber as otherwise provided by law. Any income generated during the five-year period shall be returned to the general fund to the extent of the funds actually received by the permanent school fund. Any excess shall be deposited in the forest suspense account."

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, after "canceled" insert "; releasing timber from the trust for a five-year period; authorizing the commissioner of natural resources to sell, recycle, or dispose of the timber; directing the disposition of income"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 516, A bill for an act relating to human services; creating the office of ombudsman for mental health and mental retardation; providing for the powers and duties of the ombudsman; creating a medical review board; requiring reporting of abuse and neglect to the ombudsman for mental health and mental retardation; amending Minnesota Statutes 1986, sections 13.46; subdivision 1; 626.556,

subdivisions 9 and 10; and 626.557, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 12, after line 31, insert:

"Sec. 13. [APPROPRIATION.]

In addition to funds transferred to the office of ombudsman under section 4, subdivision 2, \$39,000 is appropriated from the general fund to the office of ombudsman for other expenses, including the ombudsman committee."

Amend the title as follows:

Page 1, line 7, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 576, A bill for an act relating to commerce; regulating securities; regulating the business of financial planning; restricting certain charges made by investment advisors and broker dealers; providing for the registration of securities; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; regulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on timeshare and other recreational lands; providing for continuing education of brokers; regulating licensees acting as principals; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the preparation and retention of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general; amending Minnesota Statutes 1986, sections 60A.17, subdivision 6c; 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.09, subdivision 1; 80A.12, by adding a subdivision; 80A.14, subdivision 18; 80A.15, subdivisions 1 and 2; 80A.19, subdivision 1; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 308.12, by adding a subdivision; 309.50, subdivision 6; 309.502; 309.515, subdivision 1; 309.52, subdivisions 1a and 2; 309.53, subdivisions 1a, 3, 4, and by adding a

subdivision; 309.531; 309.533, by adding a subdivision; 309.54; 309.55, subdivision 6; 309.556; 309.56, subdivision 1; 309.57; 345.39; and 386.375; proposing coding for new law in Minnesota Statutes, chapters 45 and 47; repealing Minnesota Statutes 1986, sections 72A.23; 72A.24; 72A.28; 80A.20; 80A.21; 80C.15; 80C.16, subdivision 1; 82.25; 82.26; 83.34; 83.35, subdivision 3; 238.085; 309.515, subdivision 3; 309.532; 309.533, subdivisions 2, 3, and 4; 309.534; 309.555; and 309.58.

Reported the same back with the following amendments:

Page 2, delete lines 34 to 36

Page 3, delete lines 1 to 6 and insert:

"Subd. 2. [FIDUCIARY DUTY.] A person who represents that the person is a financial planner has a fiduciary duty to persons for whom services are performed for compensation. In an action for breach of fiduciary duty, a person may recover actual damages resulting from the breach, together with costs and disbursements, including reasonable costs of investigation and attorneys' fees."

Page 9, line 31, delete "14" and insert "30"

Page 24, delete section 15

Page 26, line 35, delete the second "of" and insert "prior to"

Page 29, delete section 22

Pages 41 and 42, delete section 38, and insert:

"Sec. 38. Minnesota Statutes 1986, section 386.375, is amended to read:

386.375 [TRANSFER AND STORAGE OF ABSTRACTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "lender" means all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions making a loan, or any person making a conventional loan as defined under section 47.20, subdivision 2, clause (3), or cooperative apartment loan as defined under section 47.20, subdivision 2, clause (4). A "selling lender" is a lender who sells, assigns, or transfers a loan and/or the servicing of a loan to a "purchasing lender" or "servicing agent."

Subd. 2. [RESPONSIBILITY FOR STORAGE.] Any title company, lender, or anyone other than the mortgagor or fee simple owner

holding an abstract of title to Minnesota real estate shall transfer the abstract of title to the mortgagor or fee simple owner of the real estate to which the abstract pertains before August 1, 1987. After August 1, 1987, the abstract of title shall be provided to the mortgagor or fee simple owner at the time of closing. This section does not apply if the holder of the abstract of title is the mortgagor or fee simple owner of the real estate to which the abstract pertains.

Subd. 3. [PENALTIES.] If a title company or lender fails to comply with the requirements of subdivision 2, the mortgagor or fee simple owner has the right to have an abstract made at the expense of the lender or title company holding the abstract.

Subdivision 1. [RESPONSIBILITY TO TRANSFER.] (a) A person holding an abstract of title to real estate located in Minnesota shall, at a closing of a sale of the property to which the abstract pertains, make a written offer to transfer the abstract of title to the mortgagor or fee owner at no charge to the mortgagor or fee owner. If the offer is accepted, the abstract must be transferred at the closing unless the abstract of title is being held after the closing for issuance of a final title opinion or policy of title insurance in which case the holder has a reasonable period of time to transfer the abstract.

(b) A person holding an abstract of title to real estate located in Minnesota shall, within ten days of receipt of a written request from the mortgagor or fee owner of the property to which the abstract pertains, transfer the abstract of title to the mortgagor or fee owner at no charge, other than postage, to the mortgagor or fee owner. If the abstract of title is being held after a closing for issuance of a final title opinion or policy of title insurance, the holder has a reasonable period of time to transfer the abstract.

(c) If a person holding an abstract of title to real estate located in Minnesota fails to comply with the requirements of this subdivision, the mortgagor or fee owner of the property may have an abstract of title made at the expense of the last known person holding the abstract of title, and is also entitled to collect actual civil damages of up to \$500 from the person last known to hold the abstract of title.

Subd. 2. [STORAGE OF ABSTRACTS.] Before a person holding an abstract of title to real estate located in Minnesota may impose a charge or fee to store the abstract, the person shall first make a written offer to the mortgagor or fee owner to transfer the abstract at no charge, other than postage, to the fee owner or mortgagor. This subdivision does not apply to a person who holds an abstract pursuant to a written contract with the fee owner or mortgagor. A person violating this subdivision is subject to a penalty of \$100 for each violation.

Subd. 3. [CONSUMER EDUCATION INFORMATION.] (a) A person other than the mortgagor or fee owner who transfers or offers

to transfer an abstract of title shall present to the mortgagor or fee owner basic information in plain English about abstracts of title. This information must be sent in a form prepared and approved by the commissioner of commerce and must contain at least the following items:

- (1) a definition and description of abstracts of title;
- (2) an explanation that holders of abstracts of title must maintain it with reasonable care;
- (3) an approximate cost or range of costs to replace a lost or damaged abstract of title;
- (4) an explanation that abstracts of title may be required to sell, finance, or refinance real estate; and
- (5) an explanation of options for storage of abstracts.

(b) The commissioner shall prepare the form for use under this subdivision as soon as possible. This subdivision does not apply until 60 days after the form is approved by the commissioner.

(c) A person violating this subdivision is subject to a penalty of \$100 for each violation.

Subd. 4. [STORAGE IN MINNESOTA.] After August 1, 1987, abstracts of title to real estate located in Minnesota must be stored within the state of Minnesota. Failure to comply with this subdivision entitles a mortgagor or fee owner to civil damages of up to \$500.

Subd. 5. [EXCEPTIONS.] This section does not apply if the person holding the abstract of title is the mortgagor or fee owner of the real estate to which the abstract pertains.

Subd. 6. [OFFER TO TRANSFER.] Any person holding an abstract of title pertaining to real estate located in Minnesota shall, before January 1, 1988, make a reasonable effort to contact the mortgagor or fee owner of the property and make a written offer to transfer the abstract of title to the mortgagor or fee owner. A person holding an abstract of title has made a reasonable effort to contact the mortgagor or fee owner if the person has sent an offer by United States mail, postage prepaid, to the last address of the mortgagor or fee owner shown in the person's records."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 27, delete "82.19, subdivision 3;"

Page 1, line 30, delete "309.502;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

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

Reported the same back with the following amendments:

Page 4, line 32, strike "\$10" and insert "\$15" and delete "or" and insert "and \$100 for each"

Page 5, line 26, after "board" insert "must provide for the cost recovery for the activities of the board"

Page 5, line 27, after "penalties" insert "and"

Page 8, line 36, delete "\$....." and insert "\$10,000"

Amend the title as follows:

Page 1, line 4, after "board" insert "of animal health"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 803, A bill for an act relating to commerce; creating a legislative commission to study government and business competition; prescribing its duties.

Reported the same back with the following amendments:

Page 2, line 10, after "[STAFFING.]" insert "The legislative coordinating commission," and after "agencies" insert a comma

Page 2, after line 18, insert:

"Sec. 2. [APPROPRIATION.]

\$10,000 is appropriated from the general fund to the legislative coordinating commission for purposes of this act."

Page 2, line 19, delete "2" and insert "3"

Page 2, line 20, delete "March" and insert "January"

Page 2, line 20, delete "1988" and insert "1989"

Page 2, after line 20, insert:

"Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1987."

Amend the title as follows:

Page 1, line 4, before the period insert "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 859, A bill for an act relating to the department of finance; clarifying and correcting miscellaneous provisions to improve the administration of the department and of state government; appropriating money; amending Minnesota Statutes 1986, sections 3C.12, subdivision 2; 16A.06, by adding a subdivision; 16A.126, subdivision 2; 16A.127, subdivision 3; 16A.275; 16A.36, subdivision 2; 16A.41, subdivision 1; 16A.85, by adding a subdivision; and 116J.36, subdivision 6.

Reported the same back with the following amendments:

Page 3, line 14, delete "available" and strike "general fund" and after "money" insert "from the general fund"

Page 3, line 17, after the period, insert "The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance."

Pages 4 and 5, delete sections 7 and 8

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 9 and 10, delete "16A.41, subdivision 1; 16A.85, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 943, A bill for an act relating to the attorney general; creating a consumer protection account; providing for its administration; amending Minnesota Statutes 1986, section 8.31, subdivisions 2b, 3, and by adding subdivisions.

Reported the same back with the following amendments:

Page 2, line 12, delete "All" and insert "The money deposited in the account may be expended only as appropriated by law"

Page 2, delete line 13

Page 2, line 14, delete "attorney general"

Page 3, after line 23, insert:

"Sec. 5. [APPROPRIATION.]

\$20,000 for the 1988-1989 biennium is appropriated from the consumer education account to the attorney general for the purposes of this act."

Amend the title as follows:

Page 1, line 3, delete "protection" and insert "education" and after the second semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 960, A bill for an act relating to human services; requiring director of state planning agency to contract for development of client advisory committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Reported the same back with the following amendments:

Page 2, line 14, delete "\$....." and insert "\$70,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1595, A bill for an act relating to the judiciary; public defenders; requiring the state board of public defense to adopt standards governing district public defender offices; authorizing the state board of public defense to fix the salary of the state public defenders; requiring the state public defender to provide training for state and district public defenders; providing that compensation of district public defenders may not exceed compensation of county attorneys; allowing representation of indigents by public defender before formal appointment; providing for state funding of district public defenders; appropriating money; amending Minnesota Statutes 1986, sections 611.215, subdivisions 1 and 2; 611.216, subdivisions 1, 2, and 3; 611.23; 611.24; 611.25; 611.26, subdivisions 1, 2, 3, 4, and 6; and 611.27, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 611.22; and 611.26, subdivisions 5 and 8.

Reported the same back with the following amendments:

Page 10, line 33, after "297A.257" insert "and having the greatest number of felonies and gross misdemeanors and to those districts organized in calendar year 1987. The board shall further consider the number of dispositions, such as jury trials, court trials, guilty pleas, the number of court appearances, and other trial-related financial data"

Page 11, delete section 18

Page 11, line 26, delete "19" and insert "18"

Amend the title as follows:

Page 1, line 13, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

S. F. No. 170, A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; removing certain service persons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions; allocating bonding authority subject to a volume cap under federal tax law; allocating bonding authority to the city of Minneapolis, located in Hennepin county, and to the city of Saint Paul, located in Ramsey county; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F.02, subdivision 3; 473F.05; 473F.08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197;

458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; amending Minnesota Statutes 1986, sections 462C.11, subdivisions 2 and 3; 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, 25, 27, 28, and 29; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; and 474A.19; Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9; and Laws 1985, chapters 173; 177; 188; 189; 192; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Page 2, delete line 62

Page 296, after line 12, insert:

"Sec. 243. [INSTRUCTION TO REVISOR.]

If a provision of a section of Minnesota Statutes repealed by section 244 is amended by the 1987 regular session, the revisor shall codify the amendment consistent with the recodification of the affected section by this act, notwithstanding any law to the contrary."

Page 296, line 13, delete "243" and insert "244"

Pages 297 to 319, delete ARTICLES 2 and 3

Amend the title as follows:

Page 1, delete lines 16 to 19

Page 1, line 20, delete "county;"

Page 2, delete lines 32 to 45

Page 2, line 46, delete "3; and 474A.19;"

Page 2, line 52, delete everything after the first semicolon

Page 2, line 53, delete "section 6, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 232, A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes,

chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 611A.01, is amended to read:

611A.01 [DEFINITIONS.]

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

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

(b) "Victim" means a natural person who incurs loss or harm as a result of a crime. If the victim is deceased, "victim" means the deceased's surviving spouse or next of kin; and

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

Sec. 2. Minnesota Statutes 1986, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation, including any recommendation made with respect to sentencing; and

(b) The right to be present at the sentencing hearing and to express in writing any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Sec. 3. Minnesota Statutes 1986, section 611A.03, subdivision 3, is amended to read:

Subd. 3. [APPLICABILITY.] The provisions of this section apply to crimes which are violations of sections 600.185, 600.19, 600.195, 600.20, 600.205, 600.221, 600.222, 600.223, 600.224, 600.24, 600.245, 600.25, 600.255, 600.342, 600.343, 600.344, 600.345, 600.365, 600.498, 600.561, 600.58, clauses (1)(b) and (2), and 600.687 gross misdemeanors, misdemeanors or ordinances involving bodily injury, and all felonies.

Sec. 4. [611A.037] [RIGHT TO SUBMIT STATEMENT AT SENTENCING.]

Subdivision 1. [IMPACT STATEMENT.] A victim has the right to submit an impact statement, either orally and/or in writing, to the court at the time of sentencing or disposition hearing.

Statements may include the following, subject to reasonable limitations as to time and length:

(1) a summary of the harm or trauma suffered by the victim as a result of the crime;

(2) a summary of the economic loss or damage suffered by the victim as a result of the crime; and

(3) the victim's recommendation for an appropriate sentence or disposition, and the victim's objections, if any, to the proposed sentence or disposition.

Sec. 5. Minnesota Statutes 1986, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release, or released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18, prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. A written request for notice submitted under this section is classified as private data on individuals as provided in section 13.02, subdivision 12, and is accessible only to the victim in accordance with section 13.04. The commissioner or other custodial authority complies with this section upon mailing the notice of impending release to the victim at the address which the victim has most recently provided to the commissioner or authority in writing.

Delete the title and insert:

"A bill for an act relating to crimes; making certain victims' rights provisions applicable to victims of certain ordinance violations; providing for plea agreement notification to a larger group of victims; permitting victims to submit an impact statement to the court; providing the data classification of a request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.03, subdivisions 1 and 3; 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 368, A bill for an act relating to eminent domain; increasing appraisal fees awarded by commissioners; amending Minnesota Statutes 1986, section 117.085.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 377, A bill for an act relating to state government; regulating the state council for the handicapped; extending the time for appeals by the council from state building code decisions affecting the interests of handicapped persons; changing the name of the council; amending the duties and responsibilities of the council; authorizing the council to initiate or intervene in proceedings affecting handicapped persons; appropriating money; amending Minnesota Statutes 1986, sections 16B.67; and 256.482.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.67, is amended to read:

16B.67 [APPEALS.]

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within ~~30~~ 180 days of the decision, appeal to the commissioner. Appellant shall submit a fee of \$20, payable to the commissioner, with the request for appeal. The final decision of the involved municipality is subject to review de novo by the commissioner or a designee. The commissioner shall submit written findings to the parties. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the state council for the handicapped on disability. No fee shall be required when the council for the handicapped on disability is the appellant.

Sec. 2. Minnesota Statutes 1986, section 256.482, is amended to read:

256.482 [COUNCIL FOR THE HANDICAPPED ON DISABILITY.]

Subdivision 1. [ESTABLISHMENT; MEMBERS.] There is hereby established the council for the handicapped on disability which shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations which provide services for handicapped persons who have a disability. A majority of council members shall be handicapped persons with a disability or parents or guardians of handicapped persons with a disability. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, human services, health, jobs and training, and human rights and the directors of the division of vocational rehabilitation services and state services for the blind or their designees shall serve as ex officio members of the council without vote. In addition, ~~there the council may be appoint~~ ex officio members from other bureaus, divisions, or sections of state departments which are directly concerned with the provision of services to handicapped persons with a disability.

The terms of members serving as of December 31, 1983, shall expire on that date. Thereafter, Notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until a successor is appointed and qualified, ~~provided that of the members initially appointed to serve starting in 1984, one-third shall be appointed for one year, one-third for two years, and one-third for three years as designated by the governor.~~ The compensation and removal of all members and expiration of the council shall be as provided in section 15.059. The governor shall appoint a chair of the council from among the members appointed from the general public or handicapped who are persons with a disability or their parents or guardians. Vacancies shall be filled by the appointing authority for the remainder of the

unexpired term. The council shall not expire, as provided in section 15.059.

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The council may select an executive director of the council by a vote of a majority of all council members. The executive director shall be in the unclassified service of the state and shall provide administrative support for the council and provide administrative leadership to implement council mandates, policies, and objectives. The executive director shall employ and direct staff authorized according to state law and necessary to carry out council mandates, policies, activities, and objectives. The salary of the executive director and staff shall be established pursuant to chapter 43A. The executive director and staff shall be reimbursed for the actual and necessary expenses incurred as a result of their council responsibilities.

Subd. 3. [RECEIPT OF FUNDS.] Whenever any person, firm or corporation offers to the council funds by the way of gift, grant or loan, for purposes of assisting the council to carry out its powers and duties, the council may accept such the offer by majority vote and upon such acceptance the chair shall receive such the funds subject to the terms of the offer, ~~but~~ However, no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 4. [ORGANIZATION; COMMITTEES.] The council shall organize itself in conformity with its responsibilities under sections 256.481 to 256.482 and shall establish committees which shall give detailed attention to the special needs of each category of handicapped persons who have a disability. The members of ~~such~~ the committees shall be designated by the chair with the approval of a majority of the council. ~~Committees established shall include a committee on children which shall study the special needs of handicapped children and a committee on employment which shall study the special employment needs of handicapped persons.~~ The council shall serve as liaison in Minnesota for the president's committee on employment of the handicapped and for any other organization for which it is so designated by the governor or state legislature.

Subd. 5. [DUTIES AND POWERS.] The council shall have the following duties and powers:

(1) to advise and otherwise aid the governor; appropriate state agencies, including but not limited to the departments of education, human services, jobs and training, and human rights, and the divisions of vocational rehabilitation services and services for the blind; the state legislature; and the public on matters pertaining to public policy and the administration of programs, services and facilities for handicapped persons who have a disability in Minnesota;

(2) to encourage and assist in the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and private providers of service as they relate to handicapped persons with a disability;

(3) to serve as a source of information to the public regarding all services, programs and legislation pertaining to handicapped persons with a disability;

(4) to review and make comment to the governor, state agencies, the legislature, and the public concerning adequacy of state programs, plans and budgets for services to handicapped persons with a disability and for funding under the various federal grant programs;

(5) to research, formulate and advocate plans, programs and policies which will serve the needs of handicapped persons who are disabled;

(6) to advise the departments of labor and industry and jobs and training on the administration and improvement of the workers' compensation law as the law it relates to programs, facilities and personnel providing assistance to workers who are injured and handicapped workers disabled;

(7) to advise the workers' compensation division of the department of labor and industry and the workers' compensation court of appeals as to the necessity and extent of any alteration or remodeling of an existing residence or the building or purchase of a new or different residence which is proposed by a licensed architect under section 176.137;

(8) to initiate or seek to intervene as a party in any administrative proceeding and judicial review thereof to protect and advance the right of all persons who are disabled to an accessible physical environment as provided in section 16B.67; and

(9) to initiate or seek to intervene as a party in any administrative or judicial proceeding which concerns programs or services provided by public or private agencies or organizations and which directly affects the legal rights of persons with a disability.

Subd. 5a. [COLLECTION OF FEES.] The council is empowered to establish and collect fees for documents or technical services provided to the public. The fees shall be set at a level to reimburse the council for the actual cost incurred in providing the document or service. Notwithstanding the provisions of section 16A.72, all fees collected shall be deposited into the state treasury and credited to a separate dedicated account for council services. All money in this

dedicated account is appropriated by law to the council to provide documents and technical services to the public.

Sec. 3. [APPROPRIATION.]

\$10,000 for the biennium is appropriated from the account of the council on disability for the purpose of this act.

Sec. 4. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "council for the handicapped" or "state council for the handicapped" wherever they appear in Minnesota Statutes to "council on disability" in the next edition of Minnesota Statutes."

Delete the title and insert:

"A bill for an act relating to state government; regulating the state council for the handicapped; extending the time for appeals by the council from state building code decisions affecting the interests of handicapped persons; changing the name of the council; amending the duties and responsibilities of the council; authorizing the council to initiate or intervene in proceedings affecting handicapped persons; appropriating money; amending Minnesota Statutes 1986, sections 16B.67; and 256.482."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 465, A bill for an act relating to transportation; providing for reduced speeds in work zones; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; defining peace officer; describing qualifications for aircraft dealers license; amending Minnesota Statutes 1986, sections 168.012, subdivision 1c; 169.14, by adding a subdivision; 360.018, subdivision 6, and by adding a subdivision; 360.0751, subdivision 1; and 360.63, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 160.81, subdivision 1, is amended to read:

Subdivision 1. [JOINT STANDARDS.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall establish standards for trunk highway segments located in areas of unusual scenic interest. The ~~rules~~ standards shall:

(1) define "areas of unusual scenic interest," which must include major recreational areas, historic areas and major publicly and privately owned tourist attractions;

(2) prescribe standards for right-of-way, shoulders and parking areas for trunk highway segments in such areas; and

(3) prescribe standards for scenic overlooks, parking piers and other parking areas, tourist information facilities, public water access points and other facilities intended to expand the recreational use of trunk highway segments in such areas.

Sec. 2. Minnesota Statutes 1986, section 168.012, subdivision 1c, is amended to read:

Subd. 1c. [PAYMENT OF ADMINISTRATIVE, PLATE, AND FILING FEE.] (a) The annual administrative fee for a tax-exempt vehicle under this section is \$5. The license plate fee for a tax-exempt vehicle, except a trailer, is \$10 for two plates per vehicle, payable only on the first tax-exempt registration of the vehicle. The registration period for a tax-exempt vehicle is biennial. The administrative fee is due on March 1 biennially and payable the preceding January 1, with validating stickers issued at time of payment.

(b) The owner of a tax-exempt vehicle shall apply for tax-exempt license plates, and pay the administrative and plate fees, and the filing fee under section 168.33, subdivision 7, ~~only to a deputy registrar in the county in which the vehicle is domiciled.~~

Sec. 3. Minnesota Statutes 1986, section 360.018, subdivision 6, is amended to read:

Subd. 6. [LICENSING OF AIRPORTS AND OTHER AIR NAVIGATION FACILITIES.] All proposed airports, restricted landing areas, and other air navigation facilities shall be first licensed by the commissioner before they, or any of them, shall be used or operated. Any municipality or person acquiring property for the purpose of constructing or establishing an airport or restricted landing area shall, prior to such acquisition, make application to the commissioner for a certificate of approval of the site selected and the general purpose or purposes for which the property is to be acquired, to insure that the property and its use shall conform to minimum standards of safety and shall serve public interest. It shall be unlawful for any municipality or officer or employee thereof, or for any person, to operate an airport, restricted landing area, or other

air navigation facility for which ~~an~~ the required annual license has not been issued by the commissioner. Notwithstanding the foregoing, a personal use airport that is more than five miles from a public airport, whether publicly or privately owned, need not obtain a license from the commissioner.

Sec. 4. Minnesota Statutes 1986, section 360.018, is amended by adding a subdivision to read:

Subd. 12. [OPERATING VEHICLES ON AIRPORT PROPERTY.] No person shall operate a motor vehicle off a designated roadway on airport property without the authorization of the airport owner, or operate a motor vehicle anywhere on airport property in a careless or reckless manner with willful disregard for the safety of persons or property. A violation of this subdivision is a misdemeanor.

Sec. 5. Minnesota Statutes 1986, section 360.0751, subdivision 1, is amended to read:

Subdivision 1. [PEACE OFFICER DEFINED.] For purposes of this section, the term "peace officer" means a full-time police officer of any municipality, airport, or county, having satisfactorily completed a prescribed course of instruction in a school for instruction of persons in law enforcement conducted by the University of Minnesota or a similar course considered equivalent by the commissioner of public safety an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officers standards and training, who is charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state, and who has full power of arrest, and shall also include the Minnesota state patrol, but does not include employees of the department of natural resources.

Sec. 6. Minnesota Statutes 1986, section 360.63, subdivision 1, is amended to read:

Subdivision 1. Any person engaged in the business of selling, purchasing, or dealing in aircraft, new or used, and who desires to withhold aircraft owned by that person from tax as provided in sections 360.511 to 360.67, may apply to the commissioner for an aircraft dealer's license. In order to qualify for an aircraft dealer's license the applicant shall show that the applicant has an established place of business on an airport licensed as a public airport approved by the commissioner and that has the necessary buildings, facilities and equipment for the proper storage and maintenance of aircraft in accordance with such rules as may be established by the commissioner. The commissioner may charge a fee of \$10 for each license, which license shall be effective for one year from the date of its issuance, or may authorize an aircraft dealer to operate under a flight operator's license as otherwise provided by this chapter. The commissioner is empowered to suspend or revoke any license issued

by the commissioner on determining that the holder thereof has violated any of the provisions of sections 360.511 to 360.67 or has failed to maintain any of the requirements necessary to obtain such license.

Sec. 7. Laws 1985, chapter 299, section 40, as amended by Laws 1986, chapter 454, section 34, is amended to read:

Sec. 40. [SPECIAL PERMIT.]

Subdivision 1. [PERMIT TO BE ISSUED.] Notwithstanding any law to the contrary the commissioner of transportation shall issue one special permit authorizing the operation for testing purposes of a three vehicle combination consisting of a motor vehicle, a "motorized hitch" and a trailer. The permit is valid for one year from the date of issuance. The annual fee for the permit is \$30. The permit is subject to all applicable provisions of Minnesota Statutes 1984, section 169.86, except as otherwise provided in this subdivision. The holder of the permit is responsible for all liability for personal injury, property damage or time lost, which may occur as a result of the operation of the combination for which the permit is issued, and must, if a claim is made against the state or a department, division officer or employee thereof arising from such operation, defend, indemnify and hold them harmless.

Subd. 2. [REPEALER.] This section is repealed July 31, 1987 1988.

Sec. 8. [REPEALER.]

Minnesota Statutes 1986, section 160.81, subdivision 4, is repealed."

Delete the title and insert:

"A bill for an act relating to transportation; specifying that department of transportation standards for trunk highways in scenic areas are not rules; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; defining peace officer; describing qualifications for aircraft dealers license; providing for certain permits; amending Minnesota Statutes 1986, sections 160.81, subdivision 1; 168.012, subdivision 1c; 360.018, subdivision 6, and by adding a subdivision; 360.0751, subdivision 1; 360.63, subdivision 1; and Laws 1985, chapter 299, section 40, as amended by Laws 1986, chapter 454, section 34; repealing Minnesota Statutes 1986, section 160.81, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 682, A bill for an act relating to human services; expanding employment and training services in the aid to families with dependent children program; changing standards of eligibility for general assistance recipients and work readiness recipients; implementing immediate income withholding; modifying the child care sliding fee program; establishing the family health insurance program; changing standards of eligibility for the medical assistance program; amending Minnesota Statutes 1986, sections 144.219; 256.01, subdivision 2; 256.736, subdivisions 3, 4, 6, and 8, and by adding subdivisions; 256.74, subdivision 1; 256B.06, subdivision 1; 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8 and by adding a subdivision; 256D.03, subdivision 2; 256D.05, subdivision 1; 256D.051, subdivisions 1, 2, 6, and 8; 256D.06, subdivisions 1, 1b, and 2; 256D.08, subdivision 1; 256D.101; 256D.15; 257.33; 257.34, subdivision 1; 257.57, subdivision 2; 257.60; 257.62, by adding a subdivision; 257.63, subdivision 2; 267.02, by adding a subdivision; 267.03, subdivision 2; 268.0122, subdivision 3; 268.86, subdivision 2; 268.871, subdivisions 1 and 2, and by adding a subdivision; 268.88; 268.91, subdivisions 1, 2, 3, 4, 5, and 6, and by adding subdivisions; 510.07; 518.131, subdivision 7; 518.171, subdivision 1; 518.24; 518.551, subdivision 1, and by adding a subdivision; 518.57, subdivision 1; 518.611, subdivisions 1, 2, 3, 4, 6, and 8, and by adding a subdivision; 518.64, subdivision 2; and 518.645; proposing coding for new law in Minnesota Statutes, chapters 256, 256D, and 518; repealing Minnesota Statutes 1986, sections 256D.051, subdivisions 4, 5, and 12; 257.34, subdivision 2; and 268.86, subdivisions 1, 3, 4, and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) who alone, or together with the person's spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with

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

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

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

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

(15) who has continuing monthly expenses for medical care that are more than the amount of the person's excess income, computed

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

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

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

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

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

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

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located

and available at state hospitals when it is not feasible to provide the service in state hospitals.

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

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

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

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

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

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

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

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

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To

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

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

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

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

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

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

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

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or

counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

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

Sec. 3. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:

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

Sec. 4. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

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

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

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

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

(d) "Employment and training services" means programs, activities, and services related to job training and job placement, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to an advanced degree, vocational education programs, work incentive programs, work readiness programs, employment search, community work experience programs, displaced homemaker programs,

self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, supported work programs, and counseling and support activities necessary to stabilize the caretaker or the family.

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

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

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

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

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

(1) are under the age of 22;

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

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

Sec. 6. Minnesota Statutes 1986, section 256.736, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

section 256.045 with respect to the appropriateness of the registration.

Sec. 7. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

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

Sec. 8. Minnesota Statutes 1986, section 256.736, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

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

Sec. 10. Minnesota Statutes 1986, section 256.736, subdivision 6, is amended to read:

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

Sec. 11. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 10. [COUNTY DUTIES.] To the extent of available state appropriations, county boards shall:

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

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

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

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

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

(6) to the extent permissible under federal law, require all caretakers coming onto the AFDC program to attend orientation;

(7) encourage nonpriority caretakers to develop a plan to obtain self-sufficiency;

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

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

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

(11) ensure that orientation, employment search, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by section 17.

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

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

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

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

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

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

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

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

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals

consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

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

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

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

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

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

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

(3) be able to formulate creative individualized contracts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) percentage of caretakers leaving the AFDC program.

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

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

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

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

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

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

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

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

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

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

Sec. 18. Minnesota Statutes 1986, section 256.74, subdivision 1, is amended to read:

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

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

(2) all educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational

purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

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

(4) an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;

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

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

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

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

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

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

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's

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

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

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

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

Sec. 19. [256.745] [SERVICE DELIVERY IMPROVEMENT PILOT PROJECT.]

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

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

Subd. 3. [COMMITTEE.] The commissioner shall establish and select a committee to administer the service delivery improvement project. The committee consists of the commissioner, the commissioner of jobs and training, the commissioner of human services, one

member of the senate, one member of the house of representatives, one public member representing the private sector, and other public members considered necessary by the commissioner. The commissioner may reimburse the public members for actual expenses in the same manner and amount as authorized by the commissioner's plan under section 43A.18, subdivision 2.

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

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

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

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

Sec. 20. Minnesota Statutes 1986, section 268.0122, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

(12) prepare a plan and submit it to the coordinator in each even-numbered year, according to standards established by the coordinator, for use in developing a statewide employment and training plan;

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

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

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

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program

administered or supervised by the department or coordinated with it;

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

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

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

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

Sec. 21. Minnesota Statutes 1986, section 268.85, subdivision 2, is amended to read:

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

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

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

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

(4) training;

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

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

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

(c) In delivering employment and training services, local service units shall distribute their available resources in a manner that

provides greater incentives to clients in permanent private or nonprofit sector employment than in public sector jobs.

Sec. 22. Minnesota Statutes 1986, section 268.86, subdivision 1, is amended to read:

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

Sec. 23. Minnesota Statutes 1986, section 268.86, subdivision 2, is amended to read:

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

(1) specific roles and responsibilities of each department;

(2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;

(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;

(4) procedures for providing technical assistance to local service units and employment and training service providers;

(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;

(6) procedures for reimbursing appropriate agencies for administrative expenses; and

(7) procedures for accessing available federal funds.

Sec. 24. Minnesota Statutes 1986, section 268.86, subdivision 4, is amended to read:

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

Sec. 25. Minnesota Statutes 1986, section 268.871, subdivision 1, is amended to read:

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

Sec. 26. Minnesota Statutes 1986, section 268.871, subdivision 2, is amended to read:

Subd. 2. [CONTRACTING PREFERENCE.] In contracting, a local service unit must give preference, whenever possible, to existing certified employment and training service providers including the job service, opportunities industrialization centers, displaced home-maker providers, work incentive providers, Minnesota employment

and economic development act providers, post-secondary educational institutions, and job training partnership act programs that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to serve public assistance clients as well as other unemployed people.

Sec. 27. Minnesota Statutes 1986, section 268.871, is amended by adding a subdivision to read:

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

(1) types of services provided;

(2) number of priority and nonpriority AFDC recipients served, the number of work readiness assistance recipients served, and the number of other clients served;

(3) how resources will be prioritized to serve priority and nonpriority public assistance recipients and other clients; and

(4) manner in which state employment and training funds and programs are being coordinated with federal and local employment and training funds and programs.

Sec. 28. Minnesota Statutes 1986, section 268.88, is amended to read:

268.88 [LOCAL SERVICE UNIT PLANS.]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 29. Minnesota Statutes 1986, section 268.91, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 30. Minnesota Statutes 1986, section 268.91, subdivision 2, is amended to read:

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

(b) The commissioner shall maximize the use of federal funds under the aid to families with dependent children employment special needs program in section 256.736, subdivision 8, for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under that program. Funds appropriated under this section shall be coordinated with the aid to families with dependent children employment special needs program to accomplish this purpose. Federal funds obtained shall be used to expand the resources in the child care sliding fee program.

Sec. 31. Minnesota Statutes 1986, section 268.91, subdivision 3, is amended to read:

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

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

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

Sec. 32. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

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

(a) Set-aside funds shall be allocated among counties based on the basis of the sum of the average monthly number of caretakers receiving aid to families with dependent children under the age of 22 and the average monthly number of aid to families with dependent children cases open 24 or more consecutive months. The sum shall be derived for each fiscal year based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate unspent set-aside funds to counties which expend their full allocation. The commissioner may allocate set-aside funds based on participation rates of priority groups in employment and training activities, if the commissioner finds that the formula distribution does not allocate funds among counties in a manner which represents voluntary participation levels.

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

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

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

Sec. 33. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

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

(b) The plan must include: (1) an estimate of the need for child care services for the population defined in section 256E.03, subdivision 2, paragraph (h); (2) an estimate of the number of recipients served in each of the groups defined in subdivision 4; (3) justification, if the county prioritizes among the groups defined in subdivision 4; (4) an estimate of the number of caretaker recipients of aid to families with dependent children who will participate in employment, training, and education activities that will be federally reimbursable under the aid to families with dependent children employment special needs program; (5) the number of recipients of aid to families with dependent children who are in the priority groups defined in subdivision 3, paragraph (c); (6) documentation of the cooperative agreement with the regional service administrator as required under subdivision 3, paragraph (c); (7) descriptions of the types and availability of child care in the county; (8) documentation of any contract with another agency to deliver services under the child care fund; and (9) other information the commissioner considers necessary to administer the program.

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

Sec. 34. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

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

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

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

Sec. 35. Minnesota Statutes 1986, section 268.91, subdivision 4, is amended to read:

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

- (1) receive aid to families with dependent children;
- (2) have household income below the eligibility levels for aid to families with dependent children; or
- (3) have household income within a range established by the commissioner.

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

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

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

Sec. 36. Minnesota Statutes 1986, section 268.91, subdivision 5, is amended to read:

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

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

Sec. 37. Minnesota Statutes 1986, section 268.91, subdivision 6, is amended to read:

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

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

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

Sec. 38. Minnesota Statutes 1986, section 268.91, subdivision 7, is amended to read:

Subd. 7. [SLIDING FEE SCALE.] The sliding fee scale shall be designed so that the cost of child care to each family is affordable. The commissioner shall take into account basic living expenses of

food, housing, and transportation. In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The fee schedule must be designed to use any available tax credits and to progress smoothly from appropriated assistance to assistance through tax credits.

Sec. 39. Minnesota Statutes 1986, section 268.911, subdivision 1, is amended to read:

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

Sec. 40. [CHILD SUPPORT INCENTIVE AWARDS; SANCTIONS.]

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

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

ARTICLE 2

Section 1. [FEDERAL AUTHORITY.]

Subdivision 1. [LEGISLATIVE AUTHORITY.] (a) The commissioner of human services shall seek from the Congress of the United States authority to modify the administration and delivery of the aid

to families with dependent children program (AFDC) in Minnesota. The commissioner shall seek authority to:

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

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

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

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

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

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

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

(8) introduce additional requirements or relax existing requirements to the extent the commissioner deems necessary to construct

an AFDC program for Minnesota that increases the possibility of self-sufficiency of recipient families.

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

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

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

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

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

(4) all caretakers coming onto the program be required to attend orientation and develop a plan to obtain self-sufficiency, to the extent that programs and services are available.

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

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

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

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

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

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

Delete the title and insert:

"A bill for an act relating to human services; changing standards of eligibility for medical assistance; expanding employment and training services in the aid to families with dependent children program; establishing a service delivery improvement pilot project; modifying the child care sliding fee program; providing child support incentives and sanctions for counties; seeking certain federal waivers; amending Minnesota Statutes 1986, sections 256.01, subdivision 2; 256.73, by adding a subdivision; 256.736, subdivisions 3, 4, 6, and by adding subdivisions; 256.74, subdivision 1; 256B.06, subdivision 1; 268.0122, subdivision 3; 268.85, subdivision 2; 268.86, subdivisions 1, 2, and 4; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.88; 268.91, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; and 268.911, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 927, A bill for an act relating to driver's licenses; providing for a medical alert identifier; amending Minnesota Statutes 1986, section 171.07, by adding a subdivision.

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:

S. F. No. 971, A bill for an act relating to public finance; modifying and extending means of financing operations of local government and certain nonprofit institutions; providing an income tax exemption for interest earned on certain governmental obligations; amending Minnesota Statutes 1986, sections 124.76, subdivision 2; 275.50, subdivision 5; 400.101; 429.061, subdivision 2; 429.091, subdivision 2, and by adding a subdivision; 462.461, subdivision 4; 462.555; 466.06; 471.981, subdivision 4, and by adding subdivisions; 473.811, subdivision 2; 474.02, subdivision 2; 474.03, subdivision 12; 475.51, subdivision 3; 475.54, subdivision 1, and by adding subdivisions; 475.55, subdivisions 1; 2, 3, 4, 6, 7, and by adding a subdivision; 475.56; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivisions 3 and 12; proposing coding for new law in Minnesota Statutes, chapters 471 and 475; repealing Minnesota Statutes 1986, sections 475.55, subdivision 5; and 475.67, subdivision 11.

Reported the same back with the following amendments:

Pages 7 and 8, delete section 3

Page 13, line 22, delete "housing" and "project"

Page 14, after line 22, insert:

"Sec. 8. Minnesota Statutes 1986, section 462C.05, subdivision 1, is amended to read:

Subdivision 1. A city may also include in the housing plan, a program or programs to administer, and make or purchase a loan or loans to finance one or more multifamily housing developments within its boundaries, of the kind described in subdivision 2, 3, 4 or 7, and upon the conditions set forth in this section. A loan may be made or purchased for

(a) the acquisition and preparation of a site and the construction of a new development,

(b) the rehabilitation of an existing building and site and the discharge of any lien or other interest in the building and site,

(c) for the acquisition of an existing building and site and the rehabilitation thereof, or

(d) for the acquisition of an existing building and site for purposes of conversion to limited equity cooperative ownership by low or moderate income families, provided that: or

(e) for the acquisition, or acquisition and improvement, of an existing building and site by a nonprofit corporation which will operate the building as a multifamily housing development for rental primarily to elderly or handicapped persons.

(a) With respect to loans made or purchased pursuant to clause (b) or (c), the cost of rehabilitation of an existing building is must be estimated to equal at least \$1,000 per dwelling unit or 20 percent of the appraised value of the original building and site whichever is less, except that with respect to rehabilitation which consists primarily of improvement of the property with facilities or improvements to conserve energy or convert or retrofit for use of alternative energy sources, rehabilitation loans may be made without regard to cost; (b) and at least a substantial portion of such rehabilitation cost is must be estimated to be incurred for compliance with building codes or conservation of energy;

(e) Each development upon completion shall comply with all applicable code requirements; ~~(d)~~. A loan or loans may be made or purchased for either the construction or the long term financing of a development, or both, including the financing of the acquisition of dwelling units and interests in common facilities provided therein, by persons to whom such units and facilities may be sold as contemplated in chapter 515 or 515A or any supplemental or amendatory law thereof or as contemplated for a development consisting of cooperative housing; ~~and~~.

(e) Substantially all of the proceeds of each loan shall be used to pay the cost of a multifamily housing development, including property functionally related and subordinate to it; but nothing herein prevents the construction or acquisition of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing."

Page 21, delete section 17

Page 22, line 3, after "agreement" insert "for which funds are not appropriated in the current year's budget"

Pages 23 and 24, delete sections 23 and 24

Page 30, line 1, delete "5,000" and insert "7,500"

Page 30, line 2, strike "A" and insert "Baa-1"

Page 30, line 19, strike "\$300,000" and insert "\$1,200,000"

Page 32, lines 30 to 36, reinstate the stricken language

Page 33, lines 1 and 2, reinstate the stricken language

Page 33, line 26, delete "two" and insert "three"

Page 33, line 30, delete "two" and insert "three"

Page 34, after line 23, insert:

"Sec. 35. [475.79] [POWERS AVAILABLE TO OTHER POLITICAL SUBDIVISIONS.]

Any powers granted to a municipality under chapter 475, other than the power to issue general obligation bonds and levy taxes, may be exercised by any other public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality. This grant of authority does not limit the powers granted to an entity under any other law.

Renumber the sections in sequence

Page 34, line 28, delete "25 to 31, 33, 37, and 38" and insert "19, 20, 22 to 28, 30, 34, and 36"

Amend the title as follows:

Page 1, line 4, delete "providing an income"

Page 1, delete line 5

Page 1, line 6, delete "governmental obligations;"

Page 1, line 8, delete "400.101,"

Page 1, line 10, after "462.555;" insert "462C.05, subdivision 1,"

Page 1, line 11, delete "473.811,"

Page 1, line 12, delete the first "subdivision 2;"

Page 1, line 14, delete ", and by adding subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1057, A bill for an act relating to education; requiring the University of Minnesota to study alternative methods for animal testing.

Reported the same back with the following amendments:

Page 1, line 8, delete "shall" and insert "is requested to"

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "requesting"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Rules and Legislative Administration to which was referred:

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

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Vanasek from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 44, A House resolution proclaiming Sunday, May 17, as Ethnic American Day in the State of Minnesota.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Vanasek from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 45, A House resolution recognizing the participants in the 1987 High School Page Program.

Reported the same back with the following amendments:

Page 1, line 22, after "Christ," insert "Mark Clysdale,"

Page 1, line 23, after "Kubat," insert "Kerry Kubat, Sean LaBat,"

Page 2, line 2, after "Schweiger," insert "Stefanie Shaffer,"

With the recommendation that when so amended the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 303, 379, 516, 576, 683, 803, 859, 943, 960 and 1595 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 451, 1280, 170, 232, 368, 377, 465, 682, 927, 971 and 1057 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bishop introduced:

H. F. No. 1669, A bill for an act relating to traffic regulations; requiring motorcycle riders born after July 31, 1969 to wear protective headgear; amending Minnesota Statutes 1986, section 169.974, subdivision 4.

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

Nelson, D., introduced:

H. F. No. 1670, 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 Minnesota Statutes 1986, sections 105.392; and 105.40; proposing coding for new law as Minnesota Statutes, chapter 105A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Nelson, K., introduced:

H. F. No. 1671, A bill for an act relating to education; providing flexibility in the use of Minnesota academic excellence foundation revenue; amending Minnesota Statutes 1986, section 121.612, by adding a subdivision.

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

Kludt and Kelly introduced:

H. F. No. 1672, A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; amending Minnesota Statutes 1986, section 518.58.

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

Bauerly, McEachern and Nelson, K., introduced:

H. F. No. 1673, A bill for an act relating to education; allowing school districts to withhold transcripts for the nonpayment of fees; amending Minnesota Statutes 1986, section 120.74, subdivision 2.

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

Bauerly, McEachern and Nelson, K., introduced:

H. F. No. 1674, A bill for an act relating to education; allowing school districts to require chemical dependency assessments of

suspended pupils as a part of a readmission plan; amending Minnesota Statutes 1986, section 127.30, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Trimble and Begich introduced:

H. A. No. 39, A proposal to study the issue of mandatory overtime for Minnesota employees.

The advisory was referred to the Committee on Labor-Management Relations.

Trimble introduced:

H. A. No. 40, A proposal to study the use of part-time faculties in Minnesota higher education institutions.

The advisory was referred to the Committee on Higher Education.

Trimble and Larsen introduced:

H. A. No. 41, A proposal to study post-secondary educational systems' assessment instruments, programs and processes.

The advisory was referred to the Committee on Higher Education.

Trimble and Segal introduced:

H. A. No. 42, A proposal to study youth depression and suicide.

The advisory was referred to the Committee on Health and Human Services.

Segal, Trimble, Pappas and McEachern introduced:

H. A. No. 43, A proposal to study limited English proficiency programs.

The advisory was referred to the Committee on Education.

Jacobs and Ogren introduced:

H. A. No. 44, A proposal to study funding mechanisms for universal telephone service.

The advisory was referred to the Committee on Regulated Industries.

Ogren, Beard, Quinn, McLaughlin and Jacobs introduced:

H. A. No. 45, A proposal to study the development of a strong viticulture industry in Minnesota.

The advisory was referred to the Committee on Regulated Industries.

Skoglund and Winter introduced:

H. A. No. 46, A proposal to review the community reinvestment policies of certain financial institutions.

The advisory was referred to the Committee on Financial Institutions and Insurance.

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. 663, A bill for an act relating to health; providing for disposition of the remains of human fetuses; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1083, A bill for an act relating to government liability; authorizing municipal insurers to settle tort claims; clarifying that instrumentalities of municipalities incorporated as nonprofit corporations may be included in the self insurance pool; amending Minnesota Statutes 1986, sections 466.06; 466.08; and 471.98, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1390, A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota Statutes 1986, section 8.33.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 14, A bill for an act relating to unemployment compensation; limiting benefit charges to fire departments and emergency transportation services; regulating the receipt of benefits; providing that wages for volunteer firefighter or ambulance services not be deducted for benefit calculation purposes; amending Minnesota Statutes 1986, sections 268.06, subdivision 5; and 268.07, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 554, A bill for an act relating to natural resources; changing certain provisions relating to state park permits; authorizing and assessing fees for state park permits for second vehicles; authorizing a state park permit exemption for Interstate Park under

reciprocal agreement with Wisconsin; proposing coding for new law in Minnesota Statutes, chapter 85; repealing Minnesota Statutes 1986, section 85.05.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 200, A bill for an act relating to abuse and neglect reporting; providing a standard for the disclosure of a reporter's name under the child abuse reporting act and the vulnerable adults reporting act; amending Minnesota Statutes 1986, sections 626.556, subdivision 11; and 626.557, subdivision 12.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 983, A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; clarifying certain duties of the state board of vocational technical education and the state director of vocational technical education; applying a consistent name to schools operating under standards of the state board of vocational technical education; amending Minnesota Statutes 1986, sections 15.014, subdivision 3; 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32; and 136C.35.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rukavina moved that the House concur in the Senate amendments to H. F. No. 983 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 983, A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; providing for certain duties of the state board of vocational technical education and the state director of vocational technical education; providing for uniform statutory terminology; amending Minnesota Statutes 1986, sections 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32; and 136C.35.

The bill was read for the third time, 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 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1026, A bill for an act relating to retirement; clarifying the responsibilities of the actuary retained by the legislative commission on pensions and retirement; clarifying and revising various actuarial determinations and procedures; authorizing the retention of actuarial advisors by various retirement funds; specifying the contents and methods for supplemental and alternative actuarial valuations; establishing a separate fund for the correctional employees retirement fund; clarifying certain terms; amending Minnesota Statutes 1986, sections 3.85, subdivision 12; 3A.11, subdivision 1; 11A.18, subdivisions 6, 9, and 11; 69.77, subdivisions 2b and 2h; 69.772, subdivision 3; 69.773, subdivisions 2 and 4; 136.82, subdivision 2; 179A.03, subdivision 19; 352.01, subdivision 12; 352.03, subdivision 6; 352.116, subdivisions 1, 3, and by adding a subdivision; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.01, by adding a subdivision; 352B.02, subdivision 1; 352B.08, subdivision 2; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271; 353.29, subdivision 6; 353.30, subdivision 3; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.35; 354.42, subdivision 5; 354.44, subdivision 2; 354.45; 354.48, subdivision 3; 354.532, subdivisions 1 and 2; 354.55, subdivisions 11, 12, and 13; 354.58; 354.62, subdivision 5; 354.63, subdivision 2; 354A.011, subdivision 17, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.32; 354A.33; 354A.41, subdivision 2; 356.20, subdivisions 2, 3, and 4; 356.215; 356.216; 356.22, subdivision 2; 356.23; 356.41; 356.451, subdivision 1; 422A.01, subdivisions 6, 7, and 10; 422A.04, subdivisions 2 and 3; 422A.06, subdivisions 2, 5, 7, and 8; 422A.101; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2, 3a, and 10; 422A.17; 422A.23, subdivisions 6 and 7; 465.72, subdivision 2; 490.121, subdivision 20; and 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 352; repealing Minnesota Statutes 1986, section 352B.26, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 1026 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1026, A bill for an act relating to retirement; clarifying the responsibilities of the actuary retained by the legislative commission on pensions and retirement; clarifying and revising various

actuarial determinations and procedures; authorizing the retention of actuarial advisors by various retirement funds; specifying the contents and methods for supplemental and alternative actuarial valuations; establishing a separate fund for the correctional employees retirement fund; amending Minnesota Statutes 1986, sections 3.85, subdivision 12; 3A.11, subdivision 1; 11A.18, subdivisions 6, 9, and 11; 69.77, subdivisions 2b and 2h; 69.772, subdivision 3; 69.773, subdivisions 2 and 4; 136.82, subdivision 2; 352.01, subdivision 12; 352.03, subdivision 6; 352.116, subdivisions 1, 3, and by adding a subdivision; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.01, by adding a subdivision; 352B.02, subdivision 1; 352B.08, subdivision 2; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271; 353.29, subdivision 6; 353.30, subdivision 3; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.35; 354.42, subdivision 5; 354.44, subdivision 2; 354.45; 354.48, subdivision 3; 354.532, subdivisions 1 and 2; 354.55, subdivisions 11, 12, and 13; 354.58; 354.62, subdivision 5; 354.63, subdivision 2; 354A.011, subdivision 17, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.32; 354A.33; 354A.41, subdivision 2; 356.20, subdivisions 2, 3, and 4; 356.215; 356.216; 356.22, subdivision 2; 356.23; 356.41; 356.451, subdivision 1; 422A.01, subdivisions 6, 7, and 10; 422A.04, subdivisions 2 and 3; 422A.06, subdivisions 2, 5, 7, and 8; 422A.101; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2, 3a, and 10; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; and 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 352; repealing Minnesota Statutes 1986, section 352B.26, subdivision 2.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Jennings	Long	Olson, K.
Battaglia	DeBlicck	Jensen	Marsh	Omann
Bauerly	Dempsey	Johnson, A.	McEachern	Onnen
Beard	Dille	Johnson, R.	McLaughlin	Orenstein
Begich	Dorn	Johnson, V.	McPherson	Osthoff
Bennett	Forsythe	Kahn	Milbert	Otis
Bertram	Frederick	Kalis	Miller	Ozment
Bishop	Greenfield	Kelly	Minne	Pappas
Blatz	Gruenes	Kelso	Morrison	Pauly
Boo	Gutknecht	Kinkel	Munger	Pelowski
Brown	Hartle	Kludt	Murphy	Peterson
Burger	Haukoos	Knickerbocker	Nelson, C.	Poppenhagen
Carlson, D.	Heap	Knuth	Nelson, K.	Price
Carlson, L.	Himle	Kostohryz	Neuenschwander	Quinn
Carruthers	Hugoson	Krueger	O'Connor	Quist
Clark	Jacobs	Larsen	Ogren	Redalen
Clausnitzer	Jaros	Lasley	Olsen, S.	Reding
Cooper	Jefferson	Lieder	Olson, E.	Rest

Rice	Scheid	Sparby	Tunheim	Welle
Richter	Schreiber	Stanis	Uphus	Wenzel
Riveness	Seaberg	Steensma	Valento	Winter
Rodosovich	Segal	Sviggum	Vanasek	Wynia
Rose	Shaver	Swenson	Vellenga	Spk. Norton
Rukavina	Simoneau	Thiede	Voss	
Sarna	Skoglund	Tjornhom	Wagenius	
Schafer	Solberg	Trimble	Waltman	

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 404, A bill for an act relating to railroads; providing for designation of exempt railroad grade crossings; requiring stop signs at railroad grade crossings; amending Minnesota Statutes 1986, sections 169.28; and 219.20.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 404 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 404, A bill for an act relating to railroads; providing for designation of exempt railroad grade crossings; requiring stop signs at railroad grade crossings; amending Minnesota Statutes 1986, sections 169.28; and 219.20.

The bill was read for the third time, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Boo	Dauner	Gruenes	Jefferson
Battaglia	Brown	DeBlieck	Gutknecht	Jennings
Bauerly	Burger	Dempsey	Hartle	Jensen
Beard	Carlson, D.	Dille	Haukoos	Johnson, A.
Begich	Carlson, L.	Dorn	Heap	Johnson, R.
Bennett	Carruthers	Forsythe	Himle	Johnson, V.
Bertram	Clark	Frederick	Hugoson	Kahn
Bishop	Clausnitzer	Frerichs	Jacobs	Kalis
Blatz	Cooper	Greenfield	Jaros	Kelly

Kinkel	Minne	Pappas	Sarna	Tjornhom
Kludt	Morrison	Pauly	Schafer	Tompkins
Knickerbocker	Murphy	Pelowski	Scheid	Trimble
Knuth	Nelson, C.	Peterson	Schoenfeld	Tunheim
Kostohryz	Nelson, D.	Poppenhagen	Schreiber	Uphus
Krueger	Nelson, K.	Price	Seaberg	Valento
Larsen	Neuenschwander	Quinn	Segal	Vanasek
Lasley	O'Connor	Quist	Shaver	Vellenga
Lieder	Ogren	Redalen	Simoneau	Voss
Long	Olsen, S.	Reding	Skoglund	Wagenius
Marsh	Olson, E.	Rest	Solberg	Waltman
McDonald	Olson, K.	Rice	Sparby	Welle
McEachern	Omann	Richter	Stanis	Wenzel
McLaughlin	Onnen	Riveness	Steensma	Winter
McPherson	Orenstein	Rodosovich	Sviggum	Wynia
Milbert	Otis	Rose	Swenson	Spk. Norton
Miller	Ozment	Rukavina	Thiede	

Those who voted in the negative were:

Osthoff

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 813, A bill for an act relating to bicycles; requiring bicycles using a shoulder of a roadway to ride in the same direction as adjacent vehicular traffic; redefining the term roadway; defining the term shoulder; allowing designation of bikeways by resolution or ordinance; adopting additional definitions of bicycle terms; amending Minnesota Statutes 1986, sections 85.016; 160.02, by adding a subdivision; 160.263, subdivisions 2 and 3; 160.264; 160.265; 169.01, subdivisions 31 and 62, and by adding subdivisions; and 169.222, subdivision 4; repealing Minnesota Statutes 1986, section 160.263, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Seaberg moved that the House concur in the Senate amendments to H. F. No. 813 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 813, A bill for an act relating to bicycles; requiring bicycles using a shoulder of a roadway to ride in the same direction as adjacent vehicular traffic; redefining the term roadway; defining

the term shoulder; allowing designation of bikeways by resolution or ordinance; adopting additional definitions of bicycle terms; amending Minnesota Statutes 1986, sections 85.016; 160.02, by adding a subdivision; 160.263, subdivisions 2 and 3; 160.264; 160.265; 169.01, subdivisions 31 and 62, and by adding subdivisions; and 169.222, subdivision 4; repealing Minnesota Statutes 1986, section 160.263, subdivision 1.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 591, A bill for an act relating to human services; authorizing the commissioner to make direct payments to shelter facilities; allowing facilities providing shelter services to women and children to appeal the denial of general assistance payments;

amending Minnesota Statutes 1986, sections 256.01, subdivision 2; and 256D.05, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wynia moved that the House concur in the Senate amendments to H. F. No. 591 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 591, A bill for an act relating to human services; authorizing the commissioner to make direct payments to shelter facilities; allowing facilities providing shelter services to women and children to appeal the denial of general assistance payments; amending Minnesota Statutes 1986, sections 256.01, subdivision 2; and 256D.05, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1274, A bill for an act relating to crimes; taxes; providing for collection from convicted person's tax refund of court-ordered restitution to crime victims; altering the priority of claims payments; amending Minnesota Statutes 1986, sections 270A.02; 270A.03, subdivisions 2, 5, and by adding a subdivision; 270A.10; and 611A.04, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, D., moved that the House concur in the Senate amendments to H. F. No. 1274 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1274, A bill for an act relating to crimes; taxes; providing for collection from convicted person's tax refund of court-ordered restitution to crime victims; providing for priority of claims against refunds; amending Minnesota Statutes 1986, sections 270A.03, subdivisions 2, 5, and by adding a subdivision; and 270A.10; repealing Minnesota Statutes 1986, section 270A.02.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, D.	Frederick	Jennings	Knuth
Battaglia	Carlson, L.	Frerichs	Jensen	Kostohryz
Bauerly	Carruthers	Greenfield	Johnson, A.	Krueger
Beard	Clark	Gruenes	Johnson, R.	Larsen
Begich	Clausnitzer	Gutknecht	Johnson, V.	Lasley
Bennett	Cooper	Haukoos	Kahn	Lieder
Bertram	Dauner	Heap	Kalis	Long
Bishop	DeBlick	Himle	Kelly	Marsh
Blatz	Dempsey	Hugoson	Kelso	McDonald
Boo	Dille	Jacobs	Kinkel	McLaughlin
Brown	Dorn	Jaros	Kludt	McPherson
Burger	Forsythe	Jefferson	Knickerbocker	Milbert

Miller	Omann	Redalen	Seaberg	Tunheim
Minne	Onnen	Reding	Segal	Uphus
Morrison	Orenstein	Rest	Shaver	Valento
Munger	Osthoff	Rice	Simoneau	Vanasek
Murphy	Otis	Richter	Skoglund	Vellenga
Nelson, C.	Ozment	Riveness	Solberg	Voss
Nelson, D.	Pappas	Rodosovich	Sparby	Wagenius
Nelson, K.	Pauly	Rose	Stanisus	Waltman
Neuenschwander	Pelowski	Rukavina	Steensma	Welle
O'Connor	Peterson	Sarna	Sviggum	Wenzel
Ogren	Poppenhagen	Schafer	Swenson	Winter
Olsen, S.	Price	Scheid	Tjornhom	Wynia
Olson, E.	Quinn	Schoenfeld	Tompkins	Spk. Norton
Olson, K.	Quist	Schreiber	Trimble	

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 490, A bill for an act relating to elections; increasing the size of the board of education of special school district No. 1 of the city of Minneapolis to nine members providing for six members to be elected by districts; requiring compliance with certain campaign disclosure provisions; amending Minnesota Statutes 1986, sections 383B.041; 383B.042, subdivisions 5 and 9; 383B.053, subdivision 1; and 383B.058; and Laws 1959, chapter 462, section 3, subdivision 1, as amended and renumbered.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McLaughlin moved that the House concur in the Senate amendments to H. F. No. 490 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 490, A bill for an act relating to elections; increasing the size of the board of education of special school district No. 1 of the city of Minneapolis to nine members; providing for six members to be elected by districts; requiring compliance with certain campaign disclosure provisions; amending Minnesota Statutes 1986, sections 383B.041; 383B.042, subdivisions 5 and 9; 383B.053, subdivision 1; and 383B.058; and Laws 1959, chapter 462, section 3, subdivision 1, as amended.

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 100 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Heap	Long	Osthoff	Segal
Battaglia	Jacobs	Marsh	Otis	Shaver
Bauerly	Jaros	McEachern	Ozment	Simoneau
Beard	Jefferson	McKasy	Pappas	Skoglund
Begich	Jennings	McLaughlin	Pauly	Solberg
Bertram	Jensen	McPherson	Pelowski	Sparby
Bishop	Johnson, A.	Milbert	Peterson	Steensma
Boo	Johnson, R.	Minne	Price	Svigum
Brown	Kahn	Morrison	Quinn	Swenson
Burger	Kalis	Munger	Redalen	Tompkins
Carlson, D.	Kelly	Murphy	Reding	Trimble
Carlson, L.	Kelso	Nelson, C.	Rest	Vanasek
Carruthers	Kinkel	Nelson, D.	Riveness	Vellenga
Clark	Khudt	Nelson, K.	Rodosovich	Voss
Cooper	Knuth	Neuenschwander	Rose	Wagenius
DeBlieck	Kostohryz	O'Connor	Rukavina	Welle
Dorn	Krueger	Ogren	Sarna	Wenzel
Greenfield	Larsen	Olson, K.	Scheid	Winter
Gutknecht	Lasley	Onnen	Schoenfeld	Wynia
Hartle	Lieder	Orenstein	Seaberg	Spk. Norton

Those who voted in the negative were:

Bennett	Frederick	Johnson, V.	Omann	Stanisus
Blatz	Frerichs	Knickerbocker	Poppenhagen	Thiede
Clausnitzer	Gruenes	McDonald	Quist	Tjornhom
Dauner	Haukoos	Miller	Richter	Uphus
Dempsey	Himle	Olsen, S.	Schafer	Valento
Forsythe	Hugson	Olson, E.	Schreiber	Waltman

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 401, A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; and 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, D., moved that the House concur in the Senate amendments to H. F. No. 401 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 401, A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 609.531, subdivision 1; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

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 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knickerbocker

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 375, A bill for an act relating to corrections; clarifying the commissioner of corrections authority in licensing and supervi-

ing institutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; 609.2231, by adding a subdivision; and 641.264, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kludt moved that the House concur in the Senate amendments to H. F. No. 375 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 375, A bill for an act relating to corrections; clarifying the authority of the commissioner of corrections in licensing and supervising institutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; 609.2231, by adding a subdivision; and 641.264, subdivision 2.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dempsey	Haukoos	Johnson, R.
Battaglia	Burger	Dille	Heap	Johnson, V.
Bauerly	Carlson, D.	Dorn	Himle	Kahn
Beard	Carlson, L.	Forsythe	Hugoson	Kalis
Begich	Carruthers	Frederick	Jacobs	Kelly
Bennett	Clark	Frerichs	Jaros	Kelso
Bertram	Clausnitzer	Greenfield	Jefferson	Kinkel
Bishop	Cooper	Gruenes	Jennings	Kludt
Blatz	Dauner	Gutknecht	Jensen	Knickerbocker
Boo	DeBlieck	Hartle	Johnson, A.	Knuth

Kostohryz	Murphy	Pelowski	Scheid	Trimble
Krueger	Nelson, C.	Peterson	Schoenfeld	Tunheim
Larsen	Nelson, K.	Poppenhagen	Schreiber	Uphus
Lasley	Neuenschwander	Price	Seaberg	Valento
Lieder	O'Connor	Quinn	Segal	Vanasek
Long	Ogren	Quist	Shaver	Vellenga
Marsh	Olsen, S.	Redalen	Simoneau	Voss
McDonald	Olson, E.	Reding	Skoglund	Wagenius
McEachern	Olson, K.	Rest	Solberg	Waltman
McKasy	Omann	Rice	Sparby	Welle
McLaughlin	Onnen	Richter	Stanis	Wenzel
McPherson	Orenstein	Riveness	Steensma	Winter
Milbert	Osthoft	Rodosovich	Sviggum	Wynia
Miller	Otis	Rose	Swenson	Spk. Norton
Minne	Ozment	Rukavina	Thiede	
Morrison	Pappas	Sarna	Tjornhom	
Munger	Pauly	Schafer	Tompkins	

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1327, A bill for an act relating to elections; specifying the time for precinct caucuses; amending Minnesota Statutes 1986, section 202A.14, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1327 and that the bill be repassed as amended by the Senate.

A roll call was requested and properly seconded.

The question was taken on the Skoglund motion and the roll was called. There were 103 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Boo	Dille	Jaros	Kinkel
Battaglia	Brown	Dorn	Jefferson	Kludt
Bauerly	Carlson, L.	Forsythe	Jennings	Knickerbocker
Beard	Carruthers	Greenfield	Johnson, A.	Knuth
Begich	Clark	Gutknecht	Johnson, R.	Kostohryz
Bennett	Clausnitzer	Hartle	Johnson, V.	Krueger
Bertram	Cooper	Heap	Kahn	Larsen
Bishop	Dauner	Himle	Kelly	Lasley
Blatz	DeBleck	Jacobs	Kelso	Lieder

Long	Neuenschwander	Pelowski	Sarna	Trimble
Marsh	O'Connor	Peterson	Scheid	Tunheim
McEachern	Ogren	Price	Schoenfeld	Vanasek
McLaughlin	Olsen, S.	Quinn	Seaberg	Vellenga
Milbert	Olson, E.	Redalen	Segal	Voss
Minne	Olson, K.	Reding	Simoneau	Wagenius
Morrison	Orenstein	Rest	Skoglund	Welle
Munger	Osthoff	Rice	Solberg	Wenzel
Murphy	Otis	Riveness	Sparby	Wynia
Nelson, C.	Ozment	Rodosevich	Stanis	Spk. Norton
Nelson, D.	Pappas	Rose	Steensma	
Nelson, K.	Pauly	Rukavina	Tompkins	

Those who voted in the negative were:

Burger	Hugoson	Omann	Schreiber	Valento
Dempsey	Jensen	Onnen	Sviggun	Waltman
Frederick	Kalis	Poppenhagen	Swenson	Winter
Frerichs	McDonald	Quist	Thiede	
Gruenes	McPherson	Richter	Tjornhom	
Haukoos	Miller	Schafer	Uphus	

The motion prevailed.

H. F. No. 1327, A bill for an act relating to elections; changing precinct caucus dates and procedures; amending Minnesota Statutes 1986, sections 202A.14, subdivision 1; and 202A.18, subdivision 2.

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 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frederick	Hugoson	Miller	Richter	Swenson
Frerichs	Jensen	Omann	Schafer	Thiede
Gruenes	McPherson	Onnen	Svigum	Waltman

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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 345, A bill for an act relating to local government; allowing certain cities to appropriate money for advertising; amending Minnesota Statutes 1986, section 465.56, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 345 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 345, A bill for an act relating to local government; providing for additional compensation for employees and members of municipal civil service boards; allowing certain cities to appropriate money for advertising; amending Minnesota Statutes 1986, sections 44.04, subdivision 4; and 465.56, subdivision 1.

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 128 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Burger	Frederick	Jefferson	Kludt
Battaglia	Carlson, D.	Greenfield	Jennings	Knickerbocker
Bauerly	Carlson, L.	Gruenes	Jensen	Knuth
Beard	Carruthers	Gutknecht	Johnson, A.	Kostobryz
Begich	Clark	Hartle	Johnson, R.	Krueger
Bennett	Clausnitzer	Haukoos	Johnson, V.	Larsen
Bertram	Cooper	Heap	Kahn	Lasley
Bishop	Dauner	Himle	Kalis	Lieder
Blatz	DeBlicke	Hugoson	Kelly	Long
Boo	Dorn	Jacobs	Kelso	Marsh
Brown	Forsythe	Jaros	Kinkel	McDonald

McEachern	Ogren	Quinn	Seaberg	Tunheim
McKasy	Olsen, S.	Quist	Segal	Uphus
McLaughlin	Olson, E.	Redalen	Shaver	Valento
McPherson	Olson, K.	Reding	Simoneau	Vanasek
Milbert	Omann	Rest	Skoglund	Vellenga
Miller	Onnen	Rice	Solberg	Voss
Minne	Orenstein	Richter	Sparby	Wagenius
Morrison	Otis	Riveness	Stanius	Waltman
Munger	Ozment	Rodosovich	Steensma	Welle
Murphy	Pappas	Rose	Sviggum	Wenzel
Nelson, C.	Pauly	Rukavina	Swenson	Winter
Nelson, D.	Pelowski	Sarna	Thiede	Wynia
Nelson, K.	Peterson	Schafer	Tjornhom	Spk. Norton
Neuenschwander	Poppenhagen	Scheid	Tompkins	
O'Connor	Price	Schoenfeld	Trimble	

Those who voted in the negative were:

Dempsey	Frerichs	Osthoff	Schreiber
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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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1015, A bill for an act relating to motorboat safety; providing for enforcement of sanctions for operation of a motorboat while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.121, subdivisions 2 and 3, and by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House refuse to concur in the Senate amendments to H. F. No. 1015, that the Speaker appoint a Conference Committee of 3 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.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1152.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON 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.

May 7, 1987

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 1152, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments.

We request adoption of this report and repassage of the bill.

Senate Conferees: SAM G. SOLON AND DON ANDERSON.

House Conferees: JOEL JACOBS, TONY BENNETT AND PAUL ANDERS
OGREN.

Jacobs moved that the report of the Conference Committee on S. F. No. 1152 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Simoneau to the Chair.

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

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 168.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 168

A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

May 4, 1987

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 168, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: EMBER D. REICHGOTT, DONALD A. STORM AND ALLAN H. SPEAR.

House Conferees: DAVID T. BISHOP, DEE LONG AND CONNIE MORRISON.

Bishop moved that the report of the Conference Committee on S. F. No. 168 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 168, A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Battaglia
Bauerly
Begich

Bennett
Bertram
Bishop
Blatz

Brown
Burger
Carlson, D.
Carlson, L.

Carruthers
Clark
Clausnitzer
Cooper

Dauner
DeBlick
Dempsey
Dorn

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

The bill was repassed, as amended by Conference, 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. 81, 946, 953, 652, 1044, 1472 and 463.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 81, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

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

S. F. No. 946, A bill for an act relating to human services; altering allocation of federal fiscal disallowances based on error rates; amending Minnesota Statutes 1986, section 256.01, subdivision 2.

The bill was read for the first time.

Clark moved that S. F. No. 946 and H. F. No. 1496, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 953, A bill for an act relating to real property; providing for payment of property taxes for the year in which property is conveyed; proposing coding for new law in Minnesota Statutes, chapter 507.

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

S. F. No. 652, A bill for an act relating to agriculture; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; amending Minnesota Statutes 1986, section 336.9-407; proposing coding for new law in Minnesota Statutes, chapter 336.

The bill was read for the first time.

Milbert moved that S. F. No. 652 and H. F. No. 1297, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1044, A bill for an act relating to education; providing for combined seniority list of certain teachers in districts entering into agreements for secondary education unless otherwise negotiated; amending Minnesota Statutes 1986, sections 122.535, subdivision 2; and 122.541, subdivision 1.

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

S. F. No. 1472, A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense and certain juveniles adjudicated for a DWI offense to undergo chemical use assessment; imposing a chemical dependency assessment charge on persons convicted of DWI or a DWI-related offense, and juveniles adjudicated for a DWI offense for the purpose of financing these chemical use assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, subdivision 5, and by adding a subdivision; 169.124; 169.125; 169.126, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; and 260.193,

subdivision 8; repealing Minnesota Statutes 1986, section 169.126, subdivision 5.

The bill was read for the first time.

Kelly moved that S. F. No. 1472 and H. F. No. 705, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 463, A bill for an act relating to commerce; providing enforcement powers; regulating securities; regulating the business of financial planning; restricting certain charges made by investment advisors and broker dealers; providing for the registration of securities; providing for disclosure of interest rate or discount point agreements; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; regulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on timeshare and other recreational lands; providing for continuing education of brokers; regulating licensees acting as principals; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the transfer and storage of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general and providing for further regulation of such organizations; appropriating money; amending Minnesota Statutes 1986, sections 60A.17, subdivision 6c; 72A.27; 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.09, subdivision 1; 80A.12, by adding a subdivision; 80A.14, subdivision 18; 80A.15, subdivisions 1 and 2; 80A.19, subdivision 1; 80A.23, subdivision 11; 80A.26, subdivision 3; 80C.17, subdivision 1; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 308.12, by adding a subdivision; 309.50, subdivision 6; 309.515, subdivision 1; 309.52, subdivisions 1a and 2; 309.53, subdivisions 1a, 3, 4, and by adding a subdivision; 309.531; 309.533, by adding a subdivision; 309.54; 309.55, subdivision 6; 309.556; 309.56, subdivision 1; 309.57; 345.39; and 386.375; proposing coding for new law in Minnesota Statutes, chapters 45, 47, 82, and 508; repealing Minnesota Statutes 1986, sections 72A.23; 72A.24; 72A.28; 80A.20; 80A.21; 80C.15; 80C.16, subdivision 1; 82.25; 82.26; 83.34; 83.35, subdivision 3; 238.085; 309.515, subdivision 3; 309.532; 309.533, subdivisions 2, 3, and 4; 309.534; 309.555; and 309.58.

The bill was read for the first time.

Sparby moved that S. F. No. 463 and H. F. No. 576, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 674

A bill for an act relating to crimes; dictating circumstances in which the court may stay execution of sentence following conviction for a second or subsequent offense relating to criminal sexual conduct; providing that information regarding a sexual assault victim is private; amending Minnesota Statutes 1986, sections 609.346, subdivisions 2 and 3; and 611A.06.

May 12, 1987

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 674, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 674 be further amended as follows:

Page 1, line 24, delete everything after "at"

Page 1, delete line 25 and insert "a"

Page 2, line 2, delete "a term of"

Page 2, line 3, delete "that is proportional"

Page 2, line 4, delete "to defendant's prior record"

Page 2, line 5, delete "completes" and insert "complete"

We request adoption of this report and repassage of the bill.

House Conferees: KATHLEEN A. BLATZ, DOUGLAS G. SWENSON AND RANDY C. KELLY.

Senate Conferees: LINDA BERGLIN, FRITZ KNAAK AND DONNA C. PETERSON.

Blatz moved that the report of the Conference Committee on H. F. No. 674 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 674, A bill for an act relating to crimes; dictating circumstances in which the court may stay execution of sentence following conviction for a second or subsequent offense relating to criminal sexual conduct; providing that information regarding a sexual assault victim is private; amending Minnesota Statutes 1986, sections 609.346, subdivisions 2 and 3; and 611A.06.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 915:

Pappas, Kelly and Carruthers.

SPECIAL ORDERS

H. F. No. 756 was reported to the House.

Sarna moved to amend H. F. No. 756, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 204B.32, is amended to read:

204B.32 [ELECTION EXPENSES; PAYMENT.]

The secretary of state shall pay the compensation for presidential electors, the cost of printing the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections. The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary buff ballots, the white ballots, the pink ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections. The municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections. All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Sec. 2. Minnesota Statutes 1986, section 204C.19, subdivision 2, is amended to read:

Subd. 2. [BALLOTS; ORDER OF COUNTING.] Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a time in the following order: the white box, the pink box, the canary buff box, the light green box, and then the other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.

Sec. 3. Minnesota Statutes 1986, section 204C.27, is amended to read:

204C.27 [DELIVERY OF RETURNS TO COUNTY AUDITORS.]

One or more of the election judges in each precinct shall deliver two sets of summary statements; all unused and spoiled white, pink, and ~~canary~~ buff ballots; and the envelopes containing the white, pink, and canary ballots either directly to the municipal clerk for transmittal to the county auditor's office or directly to the county auditor's office within 24 hours after the end of the hours for voting. One or more election judges shall deliver the remaining set of summary statements and returns, all unused and spoiled municipal ballots, the envelopes containing municipal ballots, and all other things furnished by the municipal clerk, to the municipal clerk's office within 24 hours after the end of the hours for voting.

Sec. 4. Minnesota Statutes 1986, section 204D.08, subdivision 6, is amended to read:

Subd. 6. [STATE AND COUNTY NONPARTISAN PRIMARY BALLOT.] The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot." It shall be printed on ~~canary~~ buff paper. The names of candidates for nomination to the supreme court, court of appeals, district, county and county municipal courts and all county offices shall be placed on this ballot.

No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.

Sec. 5. Minnesota Statutes 1986, section 204D.11, is amended to read:

204D.11 [STATE GENERAL ELECTION BALLOTS; CANDIDATES; OFFICIAL IN CHARGE; RULES; REIMBURSEMENT.]

Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.] The names of the candidates for all partisan offices voted on at the state general election shall be placed on a single ballot printed on white paper which shall be known as the "white ballot." This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. The state shall contribute to the cost of preparing the white ballot and the envelopes required for the returns of that ballot. The secretary of state shall adopt rules for preparation and time of delivery of the white ballot and for establishing a basis for distributing to the counties the money appropriated by the state for white ballot costs. The appropriation shall be available both years of the biennium and shall be used for all state general and special elections. The secretary of state shall report to the chairs of the senate finance and house appropriations committees on all money used for special elections.

Subd. 2. [PINK BALLOTS.] Amendments to the state constitution shall be placed on a ballot printed on pink paper which shall be known as the "pink ballot." The pink ballot shall be prepared by the secretary of state.

Subd. 3. [CANARY BUFF BALLOT.] All questions and the names of all candidates for offices to be voted on at the state general election which are not placed on the white ballot shall be placed on a single ballot printed on canary buff paper which shall be known as the "canary buff ballot." The canary buff ballot shall be prepared by the county auditor.

Subd. 4. [SPECIAL FEDERAL WHITE BALLOT.] The names of all candidates for the offices of president and vice president of the United States and senator and representative in Congress shall be placed on a ballot printed on white paper which shall be known as the "special federal white ballot." This ballot shall be prepared by the county auditor in the same manner as the white ballot and shall be subject to the rules adopted by the secretary of state pursuant to subdivision 1. The special federal white ballot shall be the only ballot sent to citizens of the United States who are eligible to vote by absentee ballot for federal candidates in Minnesota as provided by Public Law Number 94-203 and Minnesota Statutes, chapter 203B.

Subd. 5. [BALLOT HEADINGS.] The white, pink and special federal white ballot shall be headed with the words "State General Election Ballot." The canary buff ballot shall be headed with the words "County and Judicial Nonpartisan General Election Ballot."

Subd. 6. [GRAY BALLOT.] When the canary buff ballot would be longer than 30 inches, the following offices that should be placed on the canary buff ballot may be placed instead on a separate gray ballot:

- (a) all soil and water conservation district supervisor offices; or
- (b) all soil and water conservation district supervisor and all county or municipal judicial offices; or
- (c) all soil and water conservation district supervisor, all county or municipal judicial offices, and all district judicial offices.

The gray ballot must be headed with the words: "District Nonpartisan General Election Ballot." Separate ballot boxes must be provided for these gray ballots.

Sec. 6. Minnesota Statutes 1986, section 204D.13, is amended by adding a subdivision to read:

Subd. 4. [PARTY COLOR DESIGNATION.] At a state general or special election, the white ballot shall be tinted with different background colors to designate the nominees of each major political party. The candidate names and political party labels of all nominees of a major political party shall be printed in black ink on the background color for that major political party. The instructions for marking the ballot shall show the colors that designate the various major political parties. All ballot information not required to be printed on a tinted background shall be printed in black ink on white.

A color used to designate a major political party on the general election ballot shall be used exclusively to designate that party's nominees so long as the party meets the requirements of Minnesota Statutes, section 200.02, subdivision 7. The color blue described as PANTONE PMS305U in the PANTONE Color Formula Guide shall designate the Democratic-Farmer-Labor Party and the color canary described as PANTONE PMS101U shall designate the Independent-Republican Party. The secretary of state shall send to each of the county auditors a sample and description of the designated colors. The county auditors must use the designated colors or, if approved by the secretary of state, colors that are substantially the same. The secretary of state shall designate a different color for any political party meeting the requirements of Minnesota Statutes, section 200.02 after May 1, 1987.

Sec. 7. Minnesota Statutes 1986, section 204D.14, is amended to read:

204D.14 [CANARY BALLOTS; NONPARTISAN OFFICES.]

Subdivision 1. [ROTATION OF NAMES.] The names of candidates for nonpartisan offices on the canary buff ballot shall be rotated in the manner provided for rotation of names on state partisan primary ballots by section 204D.08, subdivision 3.

Subd. 2. [UNCONTESTED OFFICES:] County offices for which there is only one candidate shall appear after all contested county offices on the canary buff ballot. Judicial offices for which there is only one candidate shall appear after all contested judicial offices on the canary buff ballots.

Sec. 8. Minnesota Statutes 1986, section 204D.16, is amended to read:

204D.16 [SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.]

Two weeks before the state general election the county auditor shall prepare sample copies of the white and canary buff ballots and shall post copies of these sample ballots and a sample of the pink

ballot in the auditor's office for public inspection. No earlier than 15 days and no later than two days before the state general election the county auditor shall cause the sample white and ~~canary~~ buff ballots to be published in at least one newspaper of general circulation in the county.

Sec. 9. Minnesota Statutes 1986, section 205.17, subdivision 4, is amended to read:

Subd. 4. [BLUE BALLOTS; QUESTIONS.] All questions relating to the adoption of a city charter or charter amendments or a proposition for the issuance of bonds, and all other questions relating to city affairs submitted at an election to the voters of the municipality, shall be printed on one separate ~~blue~~ green ballot and shall be prepared, printed and distributed under the direction of the city clerk at the same time and in the same manner as other municipal ballots. The ballots, when voted, shall be deposited in a separate ~~blue~~ green ballot box provided by the local authorities for each voting precinct. The ballots shall be canvassed, counted, and returned in the same manner as other municipal ballots. The returns shall provide appropriate blank spaces for the counting, canvassing and returning of the results of the questions submitted on the blue ballot.

Sec. 10. Minnesota Statutes 1986, section 206.61, subdivision 2, is amended to read:

Subd. 2. [PRINTING ON BALLOTS.] A ballot strip or ballot booklet must have printed on its face the words "Official Ballot" and the date of the election. Except as otherwise provided in sections 206.55 to 206.87 all ballot strips and ballot booklets shall be printed in black ink in as plain, clear type as size permits, ~~on material of the same color as is required for paper ballots~~ and of a size which will fit the ballot frame of a lever voting machine or the marking device of an electronic voting system. In a prominent place on ballot strips for constitutional amendments or that portion of the ballot booklet containing constitutional amendments shall be printed a notice stating that failure to vote on a constitutional amendment is, in effect, a vote in the negative. The county auditor may use one inch or more space between the partisan and nonpartisan ballot strip or portions of the ballot booklet.

Sec. 11. Minnesota Statutes 1986, section 206.71, is amended by adding a subdivision to read:

Subd. 5. [COLOR OF BALLOT STRIPS.] Lever voting machine strips shall be of the same color material as is required for paper ballots. At a state general or special election, the white ballot strips shall be tinted with different background colors as provided in section 204D.13, subdivision 4.

Sec. 12. Minnesota Statutes 1986, section 206.84, subdivision 3, is amended to read:

Subd. 3. [BALLOTS.] The ballot information, whether placed on the ballot card or on the ballot booklet must, as far as practicable, be in the same order provided for paper ballots, except that the information may be in vertical or horizontal rows, or on a number of separate pages. The secretary of state shall provide by rule for standard ballot formats for electronic voting systems.

The pages of a partisan primary ballot booklet ~~may be different colors or may otherwise differentiate between the parties must be different colors for different major political parties. The colors shall be those specified in section 204D.13, subdivision 4. All other ballot booklet pages at a primary election shall be of white material.~~ All pages of a party's primary ballot must be consecutive, without the insertion of pages from another party. Partisan primary ballot booklets must contain a prominent notice of the effect of attempting to vote in more than one party's primary. A separate ballot booklet may also be used for each party in a partisan primary.

The pages of a general election ballot booklet shall be printed on white material. Ballot booklet pages shall be tinted with different background colors as provided in section 204D.13, subdivision 4.

Ballots for all questions must be provided in the same manner. Where ballot booklets are placed in a marking device, they shall be arranged on or in the marking device in the places provided. Ballot cards may contain special printed marks and holes as required for proper positioning and reading of the ballots by electronic vote counting equipment. Ballot cards must contain an identification of the precinct for which they have been prepared which can be read visually and which can be tabulated by the automatic tabulating equipment.

Sec. 13. Minnesota Statutes 1986, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white or buff colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. If more than one ballot card is required, ~~the cards must, so far as practicable, be of the same color as is required for paper ballots the second ballot shall be of buff colored material. At a state general or special election, the white ballot card shall be tinted with different background colors as provided in section 204D.13, subdivision 4.~~

Amend the title accordingly

The motion prevailed and the amendment was adopted.

POINT OF ORDER

Gutknecht raised a point of order pursuant to rule 6.13 relating to public testimony. Speaker pro tempore Simoneau ruled the point of order not well taken.

Shaver, Gutknecht, Pauly, Tjornhom, Omann, Schreiber, McKasy, McDonald and Hugoson moved to amend H. F. No. 756, the first engrossment, as amended, as follows:

Page 5 of the Sarna amendment, line 2, delete "The"

Page 5 of the Sarna amendment, line 2, after "subdivision 7." insert "The color yellow described as PANTONE PMS101U shall designate the Democratic-Farmer-Labor Party and the color blue described as PANTONE PMS305U in the PANTONE Color Formula Guide shall"

Page 5 of the Sarna amendment, delete lines 3 to 5

A roll call was requested and properly seconded.

Osthoff moved to amend the Shaver et al amendment to H. F. No. 756, the first engrossment, as amended, as follows:

In the Shaver et al amendment, in the next to last line, delete "blue" and insert "gold"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Shaver et al amendment, as amended, and the roll was called. There were 50 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Bennett	Dille	Heap	McPherson	Poppenhagen
Bishop	Forsythe	Himle	Miller	Quist
Blatz	Frederick	Hugoson	Morrison	Redalen
Boo	Frerichs	Knickerbocker	Olsen, S.	
Burger	Gruenes	Kostohryz	Omann	
Carlson, D.	Gutknecht	Marsh	Onnen	
Clausnitzer	Hartle	McDonald	Ozment	
Dempsey	Haukoos	McKasy	Pauly	

Richter
Rose
Schafer

Schreiber
Seaberg
Shaver

Stanis
Sviggum
Swenson

Thiede
Tjornhom
Tompkins

Uphus
Valento
Waltman

Those who voted in the negative were:

Anderson, G.
Battaglia
Bauerly
Beard
Begich
Bertram
Brown
Carlson, L.
Carruthers
Clark
Cooper
Dauner
DeBlicke
Dorn
Greenfield
Jacobs

Jaros
Jefferson
Jensen
Johnson, A.
Johnson, R.
Johnson, V.
Kahn
Kalis
Kelly
Kelso
Kinkel
Kludt
Knuth
Krueger
Larsen
Lasley

Lieder
Long
McEachern
McLaughlin
Milbert
Minne
Munger
Murphy
Nelson, C.
Nelson, K.
O'Connor
Ogren
Olson, E.
Olson, K.
Orenstein
Osthoff

Otis
Pappas
Pelowski
Peterson
Price
Quinn
Reding
Rest
Rice
Riveness
Rodosovich
Rukavina
Sarna
Scheid
Schoenfeld
Segal

Simoneau
Skoglund
Solberg
Sparby
Steensma
Trimble
Tunheim
Vanasek
Vellenga
Voss
Wagenius
Welle
Wenzel
Winter
Spk. Norton

The motion did not prevail and the amendment, as amended, was not adopted.

Rose was excused between the hours of 2:10 p.m. and 2:55 p.m. while in conference.

Dorn was excused between the hours of 2:10 p.m. and 2:55 p.m. while in conference.

Orenstein was excused between the hours of 2:15 p.m. and 2:55 p.m. while in conference.

Shaver, Gutknecht, Knickerbocker, Pauly, Tjornhom and McDonald moved to amend H. F. No. 756, the first engrossment, as amended, as follows:

Pages 4 and 5 of the Sarna amendment, delete section 6

Pages 6, 7, and 8 of the Sarna amendment, delete sections 11, 12, and 13

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Shaver et al amendment and the roll was called. There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Knickerbocker	Onnen	Swiggum
Bennett	Gruenes	Knuth	Ozment	Swenson
Bishop	Gutknecht	Marsh	Pauly	Thiede
Blatz	Hartle	McDonald	Poppenhagen	Tjornhom
Boo	Haukoos	McKasy	Quist	Tompkins
Burger	Heap	McPherson	Redalen	Uphus
Carlson, D.	Himle	Miller	Richter	Valento
Clausnitzer	Hugoson	Morrison	Schafer	Waltman
Dempsey	Jennings	Neuenschwander	Schreiber	
Dille	Jensen	Olsen, S.	Seaberg	
Forsythe	Johnson, V.	Olson, K.	Shaver	
Frederick	Kelso	Omann	Stanius	

Those who voted in the negative were:

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

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

McDonald moved to amend H. F. No. 756, the first engrossment, as amended, as follows:

Page 4, after line 34, insert:

"Colors or symbols used to designate the nominees of the major political parties shall be rotated so that on all ballots any color or symbol used designates each party a substantially equal number of times."

Page 4, delete lines 35 and 36

Page 5, delete lines 1 to 5

Page 5, line 6, delete "designate the Independent Republican Party."

Page 5, line 10, delete "The secretary of"

Page 5, delete lines 11 to 13

A roll call was requested and properly seconded.

Carlson, D., was excused between the hours of 2:30 p.m. and 3:00 p.m. while in conference.

The question was taken on the McDonald amendment and the roll was called. There were 50 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Marsh	Onnen	Shaver
Bishop	Gruenes	McDonald	Ozment	Stanious
Blatz	Gutknecht	McKasy	Pauly	Sviggum
Boo	Hartle	McPherson	Poppenhagen	Swenson
Burger	Haukoos	Miller	Quist	Thiede
Clausnitzer	Heap	Morrison	Redalen	Tjornhom
Dempsey	Himle	Neuenschwander	Richter	Tompkins
Dille	Hugoson	Olsen, S.	Schafer	Uphus
Forsythe	Jennings	Olson, K.	Schreiber	Valento
Frederick	Knickerbocker	Omann	Seaberg	Waltman

Those who voted in the negative were:

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

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

CALL OF THE HOUSE

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

Bauerly	Brown	Dauner	Greenfield	Jacobs
Beard	Burger	DeBlieck	Gutknecht	Jaros
Bennett	Carlson, L.	Dempsey	Hartle	Jefferson
Bertram	Carruthers	Dille	Haukoos	Jensen
Bishop	Clark	Forsythe	Heap	Johnson, V.
Blatz	Clausnitzer	Frederick	Himle	Kelly
Boo	Cooper	Frerichs	Hugoson	Kelso

Kinkel	Miller	Ozment	Scheid	Tunheim
Kludt	Minne	Pappas	Schreiber	Uphus
Knickerbocker	Morrison	Pauly	Shaver	Valento
Kostohryz	Murphy	Pelowski	Simoneau	Vanasek
Krueger	Nelson, C.	Peterson	Skoghund	Vellenga
Larsen	Nelson, K.	Poppenhagen	Solberg	Wagenius
Lasley	O'Connor	Quinn	Sparby	Waltman
Long	Ogren	Redalen	Stanius	Welle
Marsh	Olsen, S.	Reding	Steensma	Wenzel
McDonald	Olson, E.	Rest	Swenson	Winter
McEachern	Olson, K.	Richter	Thiede	Spk. Norton
McLaughlin	Omann	Rodosovich	Tjornhom	
McPherson	Onnen	Sarna	Tompkins	
Milbert	Osthoff	Schafer	Trimble	

Kelly 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.

H. F. No. 756, A bill for an act relating to elections; prohibiting cities of the first class, except the city of St. Paul, from changing their voting systems; providing for placement of offices and candidate names on ballots used with optical scan voting systems; amending Minnesota Statutes 1986, section 206.90, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 204B.

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.

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

There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jefferson	McLaughlin	Pappas	Schoenfeld
Bauerly	Johnson, A.	Milbert	Pelowski	Simoneau
Beard	Johnson, R.	Minne	Peterson	Solberg
Begich	Kahn	Munger	Price	Sparby
Bertram	Kelly	Murphy	Quinn	Trimble
Brown	Kinkel	Nelson, C.	Reding	Tunheim
Carlson, L.	Kostohryz	Nelson, K.	Rest	Vanasek
Carruthers	Larsen	O'Connor	Rice	Voss
Clark	Lasley	Ogren	Riveness	Wagenius
Greenfield	Lieder	Orenstein	Rukavina	Wenzel
Jacobs	Long	Osthoff	Sarna	Wynia
Jaros	McEachern	Otis	Scheid	Spk. Norton

Those who voted in the negative were:

Anderson, G.	Bishop	Burger	Cooper	Dempsey
Anderson, R.	Blatz	Carlson, D.	Dauner	Dille
Bennett	Boo	Clausnitzer	DeBlieck	Dorn

Forsythe	Johnson, V.	Morrison	Rodosovich	Tjornhom
Frederick	Kalis	Neuenschwander	Rose	Tompkins
Frerichs	Kelso	Olsen, S.	Schafer	Uphus
Gruenes	Kludt	Olson, E.	Schreiber	Valento
Gutknecht	Knickerbocker	Olson, K.	Seaberg	Vellenga
Hartle	Knuth	Omann	Segal	Waltman
Haukoos	Krueger	Onnen	Shaver	Welle
Heap	Marsh	Ozment	Stanius	Winter
Himle	McDonald	Pauly	Steensma	
Hugoson	McKasy	Poppenhagen	Swiggum	
Jennings	McPherson	Redalen	Swenson	
Jensen	Miller	Richter	Thiede	

The bill was not passed, as amended.

Carlson, D., was excused between the hours of 3:05 p.m. and 3:30 p.m. while in conference.

The Speaker resumed the Chair.

There being no objection, the order of business reverted to Messages from the Senate.

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, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 715, A bill for an act relating to unemployment compensation; regulating administration of unemployment compensation; providing for benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2; repealing Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30.

PATRICK E. FLAHAVEN, Secretary of the Senate

The Speaker called Long to the Chair.

CONCURRENCE AND REPASSAGE

Riveness moved that the House concur in the Senate amendments to H. F. No. 715 and that the bill be repassed as amended by the Senate.

A roll call was requested and properly seconded.

The question was taken on the Riveness motion and the roll was called.

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

There were 71 yeas and 61 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion prevailed.

Orenstein was excused between the hours of 3:40 p.m. and 4:20 p.m. while in conference.

Carlson, D., was excused between the hours of 3:40 and 8:30 p.m.

The Speaker resumed the Chair.

H. F. No. 715, A bill for an act relating to unemployment compensation; regulating administration of unemployment compensation; providing for benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, 26, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; and 268.16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30.

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.

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

There were 68 yeas and 60 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Forsythe	Knickerbocker	Onnen	Sparby
Bauerly	Frederick	Lieder	Ozment	Stanisus
Bennett	Frerichs	Marsh	Pauly	Steensma
Bertram	Gruenes	McDonald	Poppenhagen	Sviggum
Bishop	Gutknecht	McKasy	Quist	Swenson
Blatz	Hartle	McPherson	Redalen	Thiede
Boo	Haukoos	Miller	Richter	Tjornhom
Burger	Heap	Morrison	Rose	Tompkins
Clausnitzer	Himle	Olsen, S.	Schafer	Uphus
Dempsey	Hugoson	Olsen, E.	Schreiber	Valento
Dille	Jennings	Olsen, K.	Seaberg	Waltman
Dorn	Johnson, V.	Omman	Shaver	Winter

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. 1191, 508, 587, 717, 841, 908 and 1029.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1191, A bill for an act relating to utilities; authorizing the public utilities commission to order refunds to reflect the impact of the Tax Reform Act.

The bill was read for the first time.

McLaughlin moved that S. F. No. 1191 and H. F. No. 1362, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 508, A bill for an act relating to transportation; requiring a license for the transportation of hazardous waste; providing for license administration, suspension, and revocation; requiring rulemaking; providing penalties; specifying articles that may be carried as household goods; revising fees for certain motor carrier permits and certificates; appropriating money; amending Minnesota Statutes 1986, sections 221.061; 221.121, subdivision 7, and by adding a subdivision; 221.131, subdivisions 2 and 3; 221.291, subdivision 3; 221.296, subdivision 5; and 221.60, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221.

The bill was read for the first time.

Long moved that S. F. No. 508 and H. F. No. 298, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 587, A bill for an act relating to state government; adding certain emergency personnel to the list of people eligible for benefits from the peace officers benefit fund; amending Minnesota Statutes 1986, section 176B.01, subdivision 2.

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

S. F. No. 717, A bill for an act relating to agriculture; providing for pesticide registration and regulation; licensing applicators; clarifying and recodifying pesticide laws; providing penalties; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; and 18A.48.

The bill was read for the first time.

Kalis moved that S. F. No. 717 and H. F. No. 485, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 841, A bill for an act relating to natural resources; amending requirements for eligibility, applications, agreements, payments, and other terms and conditions of the conservation reserve program; changing requirements to drain privately owned inventoried wetlands and public waters; amending and changing requirements for the waterbank program; changing requirements for persons selling land under a waterbank agreement; establishing a native prairie bank program; providing for prairie management applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding subdivisions; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivision 2; 84.943, subdivisions 1, 3, and 5; 84.944, subdivision 1; 84.95, subdivision 2, and by adding a subdivision; 105.391, subdivision 3; 105.392, subdivisions 1, 2, 3, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

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

S. F. No. 908, A bill for an act relating to human services; establishing a community services conversion project; requiring counties to consider the opinions of parents when developing service plans for persons with mental retardation and related conditions; amending Minnesota Statutes 1986, section 256B.092, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 252.

The bill was read for the first time.

Kelso moved that S. F. No. 908 and H. F. No. 1022, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1029, A bill for an act relating to utilities; establishing program to provide communication-impaired people with devices enabling their use of telephones; creating advisory committee and requiring report; providing for payment of costs of program; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time.

Clark moved that S. F. No. 1029 and H. F. No. 1002, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

SPECIAL ORDERS

CALL OF THE HOUSE LIFTED

Solberg moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

S. F. No. 1099, A bill for an act relating to natural resources; waiving indirect cost billings to the federal government and other states and provinces in certain circumstances; amending Minnesota Statutes 1986, section 16A.127, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Swenson
Thiede
Tjornhom
Tompkins

Trimble
Tunheim
Uphus
Valento

Vanasek
Vellenga
Voss
Wagenius

Waltman
Welle
Wenzel
Winter

Wynia
Spk. Norton

The bill was passed and its title agreed to.

Bishop, Orenstein, Dorn and Rose were excused between the hours of 4:25 p.m. and 4:55 p.m. while in conference.

Rest was excused between the hours of 4:25 p.m. and 5:05 p.m. while in conference.

H. F. No. 862 was reported to the House.

Rukavina moved to amend H. F. No. 862, as follows:

Page 1, line 8, delete "ON GOVERNMENT AND"

Page 1, line 9, delete everything before the period

The motion prevailed and the amendment was adopted.

H. F. No. 862, A bill for an act relating to commerce; creating a legislative commission to study proposed low-level military air training in northeastern Minnesota; prescribing its duties.

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

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Anderson, R.
Battaglia
Bauerly
Beard
Begich
Bennett
Bertram
Blatz
Boo
Burger
Carlson, L.
Carruthers
Clark
Cooper
Dauner

DeBlicke
Dempsey
Frerichs
Greenfield
Gutknecht
Haukoos
Himle
Hugoson
Jacobs
Jaros
Jefferson
Jensen
Johnson, A.
Johnson, R.
Kahn
Kalis

Kelly
Kelso
Kinkel
Kludt
Knuth
Kostohryz
Krueger
Larsen
Lasley
Lieder
Long
Marsh
McEachern
McKasy
McLaughlin
McPherson

Milbert
Minne
Morrison
Munger
Murphy
Nelson, C.
Nelson, K.
Neuenschwander
O'Connor
Ogren
Olsen, S.
Olson, K.
Omamm
Otis
Ozment
Pappas

Peterson
Price
Quinn
Reding
Rice
Richter
Riveness
Rodosovich
Rukavina
Sarna
Scheid
Schoenfeld
Schreiber
Seaberg
Segal
Simoneau

Skoglund	Sviggum	Trimble	Voss	Wynia
Solberg	Swenson	Tunheim	Wagenius	Spk. Norton
Sparby	Thiede	Uphus	Waltman	
Stanius	Tjornhom	Vanasek	Welle	
Steensma	Tompkins	Vellenga	Winter	

Those who voted in the negative were:

Clausnitzer	Hartle	Miller	Poppenhagen	Shaver
Dille	Heap	Onnen	Quist	Valento
Forsythe	Knickerbocker	Osthoff	Redalen	Wenzel
Frederick	McDonald	Pauly	Schafer	

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

H. F. No. 523, A bill for an act relating to elections; changing certain voter registration procedures to increase voter participation; providing for a computerized central registration system, voter registration forms in state income tax forms and booklets, and a combined voter registration, driver's license, and identification card form; appropriating money; amending Minnesota Statutes 1986, sections 201.021; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivision 4; 201.081; 201.121, subdivision 1; 201.13; 201.15; 201.161; 201.171; 201.221, subdivisions 2 and 4; 290.39, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 201.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Vanasek
Vellenga

Voss
Wagenius

Waltman
Wenzel

Winter
Wynia

Spk. Norton

The bill was passed and its title agreed to.

MOTION FOR RECONSIDERATION

Vellenga moved that the vote whereby H. F. No. 756, as amended, was not passed earlier today on Special Orders be now reconsidered.

A roll call was requested and properly seconded.

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, R.	Hartle	Lieder	Osthoff	Skoglund
Bauerly	Haukoos	Long	Otis	Solberg
Beard	Heap	Marsh	Ozment	Stanius
Bennett	Himle	McDonald	Pappas	Steensma
Bertram	Jacobs	McEachern	Pauly	Svigum
Blatz	Jaros	McKasy	Peterson	Swenson
Boo	Jefferson	McLaughlin	Poppenhagen	Thiede
Brown	Jennings	McPherson	Quinn	Tjornhom
Burger	Jensen	Miller	Quist	Tompkins
Carlson, L.	Johnson, R.	Minne	Redalen	Trimble
Clausnitzer	Johnson, V.	Munger	Reding	Tunheim
Cooper	Kelly	Murphy	Riveness	Uphus
Dauner	Kelso	Nelson, C.	Rodosovich	Valento
DeBlieck	Kinkel	Nelson, K.	Sarna	Vanasek
Dempsey	Kludd	Neuenschwander	Schafer	Vellenga
Forsythe	Knickerbocker	O'Connor	Scheid	Wagenius
Frederick	Knuth	Ogren	Schreiber	Waltman
Frerichs	Kostohryz	Olsen, S.	Seaberg	Wenzel
Greenfield	Krueger	Olson, E.	Segal	Winter
Gruenes	Larsen	Olson, K.	Shaver	Wynia
Gutknecht	Lasley	Onnen	Simoneau	Spk. Norton

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.

McKasy and Anderson, R., were excused for the remainder of today's session.

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

The Speaker resumed the Chair.

POINT OF ORDER

Vanasek raised a point of order pursuant to section 101, paragraph 2, of "Mason's Manual of Legislative Procedure" relating to limiting

debate to the question before the House. The Speaker ruled the point of order well taken.

PREVIOUS QUESTION

Vanasek moved the previous question and the motion was properly seconded.

A roll call was requested and properly seconded.

The question was taken on the Vanasek motion and the roll was called.

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

There were 68 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, G.

The motion prevailed.

The question recurred on the Vellenga motion and the roll was called.

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

There were 68 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jaros	McEachern	Pelowski	Solberg
Bauerly	Jefferson	McLaughlin	Peterson	Sparby
Beard	Jennings	Milbert	Price	Steensma
Begich	Johnson, A.	Minne	Quinn	Trimble
Bertram	Johnson, R.	Murphy	Reding	Tunheim
Brown	Kahn	Nelson, C.	Rest	Vanasek
Carlson, L.	Kelly	Nelson, D.	Rice	Voss
Carruthers	Kinkel	Nelson, K.	Riveness	Wagenius
Clark	Kludt	O'Connor	Rukavina	Welle
Cooper	Knuth	Ogren	Sarna	Wenzel
Dauner	Kostohryz	Orenstein	Scheid	Winter
DeBlick	Larsen	Osthoff	Segal	Spk. Norton
Greenfield	Lieder	Otis	Simoneau	
Jacobs	Long	Pappas	Skoglund	

Those who voted in the negative were:

Anderson, G.	Dorn	Kalis	Krueger	Olson, E.
Dille	Jensen	Kelso	Neuenschwander	Rodosovich

The motion prevailed.

Vanasek moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Vanasek, pursuant to rule 5.10, announced that H. F. Nos. 683, 576, 803, 379, 960, 516, 303, 916, 177, 1184, 919 and 859 meet the requirements of the House Budget Resolution.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 539, A bill for an act relating to human services; extending subsidized adoption program; amending Minnesota Statutes 1986, section 259.40, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Page 2, line 33, delete "22" and insert "21"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 919, A bill for an act relating to recreation and natural resources; authorizing grants to local government units for park acquisition and betterment; authorizing dam safety projects; authorizing the acquisition of natural habitat; authorizing acquisition and betterment of units of the outdoor recreation system including; but not limited to, state parks, trails, forests, fishing management lands, wildlife management areas, scientific and natural areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; authorizing acquisition and development of amateur athletic training facilities; imposing the sales tax on certain clubs dues; providing for deposit and expenditures of certain sales tax revenues; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1986, sections 297A.01, subdivision 3; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL IMPROVEMENTS; APPROPRIATIONS.]

The sums in the column marked "APPROPRIATIONS" are appropriated from the state building fund, or another named fund, to the state agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

SUPREME COURT	\$ 40,600,000
ADMINISTRATION	16,463,500
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	400,000
NATURAL RESOURCES	28,450,000
WASTE MANAGEMENT BOARD	3,000,000
POLLUTION CONTROL AGENCY	72,300,000
ENERGY AND ECONOMIC DEVELOPMENT	41,935,000
IRON RANGE RESOURCES AND REHABILITATION BOARD	9,145,000

	\$
MILITARY AFFAIRS	2,658,700
VETERANS AFFAIRS	1,846,000
AGRICULTURE	8,000,000
FINANCE	8,000,000
MINNESOTA AMATEUR SPORTS COMMISSION	300,000
TRANSPORTATION	15,482,100
MINNESOTA HISTORICAL SOCIETY	61,800,000
EDUCATION	1,339,800
VOCATIONAL TECHNICAL EDUCATION	36,446,200
COMMUNITY COLLEGES	31,903,400
STATE UNIVERSITIES	43,133,500
UNIVERSITY OF MINNESOTA	40,352,300
CORRECTIONS	2,743,300
HUMAN SERVICES	3,450,000
BOND SALE EXPENSES	452,000
TOTAL	470,200,800
General Fund	2,473,000
Reinvest in Minnesota Resources Fund	16,000,000
Trunk Highway Fund	14,816,100
Transportation Fund	7,000,000
Waste Management Fund	3,000,000
Water Pollution Control Fund	72,300,000
Building Fund	354,614,700

APPROPRIATIONS

Sec. 2. SUPREME COURT

Judicial Building \$ 40,600,000

This appropriation is to the commissioner of administration, in consultation with the supreme court and the capitol area architectural and planning board, to complete working drawings and construct a judicial building.

Although authorization for the sale of bonds to construct this facility is provided in this act, funds for the facility must not be made available for expenditure before July 1, 1989.

Sec. 3. ADMINISTRATION

\$

\$

Subdivision 1. To the commissioner of administration for the purposes specified in this section

16,463,500

(a) Remove or contain asbestos in state buildings and provide handicapped persons with access to state buildings

4,000,000

This appropriation is to be used to provide access to state buildings for handicapped persons and to remove or encapsulate asbestos-containing materials that have been identified as constituting risk factor 5 in the evaluation study dated January 18, 1984, and its supplement dated March 21, 1984, and risk factor 4 in state buildings to the extent that the appropriation permits.

(b) Restore Capitol Building, Phase III

1,500,000

This appropriation is to complete Phase III exterior renovation of the Capitol Building.

(c) Remodeling of the State Office Building and House portion of the Capitol Building

819,000

This appropriation is to complete the remodeling of the State Office Building and for rehabilitation of the House of Representatives' Chamber and related offices in the State Capitol Building.

(d) Renovate elevator in Veterans Services Building in St. Paul

180,500

(e) Reroof Veterans Services Building in St. Paul

136,000

(f) Demolition of the Centennial Building

421,000

\$

\$

This appropriation is to provide for the costs associated with demolition of the Centennial Office Building. The Department of Administration in cooperation with the Capitol Area Architectural Planning Board shall develop a plan for utilization of the vacant space created by the demolition. A report indicating the results of this study shall be presented to the chair of the Senate Finance Committee and the chair of the House Appropriations Committee by January 1, 1988.

(g) Asbestos Removal from the Department of Transportation Building

4,334,000

This appropriation is from the Trunk Highway Fund and is to be used to remove or encapsulate asbestos-containing materials from the Department of Transportation Building.

(h) Relocation of Department of Revenue

1,973,000

This appropriation is from the general fund and is to provide for moving costs and estimated increased rental costs associated with moving the Department of Revenue into a consolidated facility.

(i) Construction of a parking ramp west of the State Office Building

3,100,000

\$

\$

This appropriation is to the Department of Administration in cooperation with the capitol area architectural and planning board for the planning and construction of a parking ramp immediately west of the State Office Building. As much of the ramp as feasible must be located underground and the ramp design must be in concert with the existing architecture and landscaping of the Capitol Mall area.

Subd. 2. During the biennium, the department of administration shall study the possibility of conveying the Mechanic Arts Building to a private purchaser upon such terms as are reasonable and appropriate provided that any such conveyance is contingent upon the purchasers agreement to rehabilitate the building and to offer the state a long term lease at a reasonable rate. The department shall conduct a search for a state agency to occupy the building. The results of the study shall be reported to the chair of the senate finance committee and the chair of the house appropriations committee no later than June 30, 1988.

Sec. 4. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

400,000

This appropriation is to provide for planning of a parking ramp immediately west of the State Office Building and a second ramp immediately west of the Department of Transportation building.

Sec. 5. NATURAL RESOURCES

Subdivision 1. To the commissioner of administration or the commissioner of natural resources for the purposes specified in the following subdivisions

\$ \$
28,450,000

Subd. 2. To the commissioner of natural resources to acquire critical natural habitat and to acquire and better public outdoor recreational lands and capital improvements

12,700,000

The commissioner of natural resources shall provide the necessary professional services for the performance of the duties under this subdivision from the amount appropriated for the various purposes. An approved complement of 24 unclassified positions is authorized.

Lands must be acquired by the commissioner of natural resources in accordance with policies established in Minnesota Statutes, sections 86A.01 to 86A.09. Lands acquired for each unit of the outdoor recreational system must be suited for the purpose of the unit and suited for management in accordance with principles applicable to it. The commissioner of natural resources shall submit semiannual work plans to the legislative commission on Minnesota resources and shall submit a work program to the commission and request its recommendation before spending any money appropriated by this subdivision for any purpose. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

(a) Acquisition of State Parks

1,200,000

Sufficient funds for the acquisition of Mystery Cave as provided for in section 32 must be allocated from this appropriation.

(b) Acquisition of state forest lands 500,000

(c) Acquisition of wildlife areas and waterbank 750,000

(d) Fisheries acquisition 100,000

Any unencumbered balance remaining in the appropriation made by Laws 1979, chapter 301, section 6, subdivision 2, the day following enactment of this act is available to be used by the commissioner for the alteration of a portion of an old railroad bridge over the St. Louis river in the city of Duluth to make the bridge suitable for use as a public access fishing pier and observation site.

(e) Acquisition and improvement of scientific and natural areas 1,400,000

(f) Acquisition and improvement of water access sites 750,000

(g) Improvement of forest roads. 500,000

(h) Betterment of state parks. 3,800,000

(i) Betterment of state trails 3,700,000

Subd. 3. To the commissioner of natural resources for dam safety projects under Minnesota Statutes, section 105.482

4,000,000

(a) \$110,000 is for the Heron Lake dam and is available for expenditure immediately upon enactment of this act.

(b) \$60,000 is for the removal of the Bernings Mill dam, the owner or local unit of government shall provide a suitable disposal site for demolition debris and access to the site, which satisfies the requirement for a local financial contribution to the project.

(c) \$100,000 each year is for flood control projects in area II of the Southern Minnesota River Basin. Grants shall be allocated consistent with the formula established in Minnesota Statutes, section 104.44.

(d) Any unencumbered balance remaining from the money appropriated by Laws 1985, First Special Session chapter 15, section 4, subdivision 4, clause (b)(5), for the Nett Lake Dam project after the completion of project is appropriated to the commissioner of natural resources for a grant to the Nett Lake Band of Chippewa Indians for the construction of a wastewater treatment plant.

Subd. 4. Reinvest in Minnesota

8,000,000

The appropriations in this subdivision are from the reinvest in Minnesota resources fund.

(a) Fish and wildlife habitat

6,400,000

This appropriation is to acquire and improve land for fish and wildlife habitat under the comprehensive fish and wildlife management plan under Minnesota Statutes, section 84.942, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this paragraph from the amount appropriated.

(b) Aspen recycling

800,000

This appropriation is for expenditure under Minnesota Statutes, section 88.80, and for other forest wildlife management projects, to be available until expended.

\$ \$

(c) Native prairie land

240,000

(d) Critical habitat private sector matching account

560,000

This appropriation is for transfer to the critical habitat private sector matching account.

(e) The approved complement of the department of natural resources is increased by 12 positions in the unclassified service to implement this subdivision. One position in the unclassified service must be a program coordinator to work with other agencies and staff to implement this subdivision.

(f) Notwithstanding any other law, during the biennium easements granted under this act may be permanent or if limited duration then must be for at least 20 years with provisions for renewal for at least another 20-year period. Highest priority must be given to permanent easements consistent with the purposes of this act.

Subd. 5. Wolf Center

3,500,000

\$

\$

The appropriation is for payment of a grant to the city of Ely for land acquisition and construction of an international wolf center. This appropriation is available only as matched by contributions or pledges toward total project costs from nonstate sources. State funds shall be made available for project purposes on a \$1 state for every \$1 nonstate basis from time to time as needed for the project. The grant shall be available in reasonable increments related to various phases of the project development. Notwithstanding the matching requirement, \$500,000 shall be made available immediately without match.

Subd. 6. Hibbing Core Library

250,000

This appropriation is to the commissioner of natural resources for the construction or purchase of a building to house the Mineral Division's Core Library in Hibbing, Minnesota.

Sec. 6. WASTE MANAGEMENT BOARD

3,000,000

This appropriation is from the waste management fund to the waste management board for the program of state capital assistance grants to local projects to develop feasible and prudent alternatives to disposal of solid waste. Up to \$180,000 may be spent for administration and technical and professional services. The approved complement of the waste management board is increased by one position.

Sec. 7. POLLUTION CONTROL AGENCY

To the pollution control agency from the water pollution control fund for the purposes specified in this section

\$

\$

72,300,000

(a) Construction grants for wastewater treatment facilities

52,540,800

(b) Combined sewer overflow

16,547,000

(c) For match to the federal revolving loan program

3,212,200

The approved complement for the pollution control agency is increased by 11 positions in the classified service for purposes of implementing this section.

Sec. 8. ENERGY AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of energy and economic development for the purposes specified in this section

41,935,000

Subd. 2. Outdoor Recreation

17,000,000

(a) Local Recreation Grants

2,000,000

This appropriation is to acquire and better recreation open space projects upon application by local units of government and Indian tribes and bands recognized by the federal government. Projects that receive federal grants must be given priority. A grant under this paragraph is not contingent upon the receipt of federal grants. A project may receive grant assistance of up to 50 percent of the total capital cost of the project or, if federal money is used, 50 percent of the local share. A project must not receive grant assistance of more than \$400,000. A local unit of government must not receive more than one grant during each fiscal biennium.

\$500,000 the first year and \$500,000 the second year shall be granted for projects outside the metropolitan area defined in Minnesota Statutes, section 473.121.

(b) Metropolitan Open Space

\$15,000,000

\$9,000,000 is for payment by the commissioner of energy and economic development to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341.

\$6,000,000 is for the acquisition and betterment of land on Lake Minnetonka for a regional park. No more than \$400,000 may be used for staff and independent professional services necessary to acquire and better open space and for the performance of the duties of the metropolitan council under this paragraph.

During the biennium, that part of Minnesota Statutes, section 398.09, paragraph (b), that requires local approval prior to acquiring real estate by purchase or condemnation shall not apply to this acquisition.

	\$	\$
(a) For a stadium, track and field, soccer, and training center in the city of Blaine	14,700,000	
(b) For a velodrome in the city of Blaine	700,000	
(c) For planning for an ice hockey training center in the city of Blaine	150,000	
(d) For a speedskating center in the city of Roseville, as approved by the metropolitan council in January 1985	3,500,000	
(e) For statewide ski jumping planning at Bloomington, Biwabik, and Coleraine	25,000	

Each of the appropriations for construction of these facilities is contingent upon designation of the respective facility as an official training site by the United States Olympic Committee and upon issuance of the necessary special tax revenue bonds.

Subd. 4. Duluth Zoo

3,500,000

This appropriation is for the renovation of the Duluth Zoo. \$2,000,000 of the appropriation is available upon the effective date of this act. The balance of the appropriation is available only to the extent that it is matched by contributions from nonstate sources. State funds shall be available for project purposes on a \$1 state for every \$1 nonstate basis from time to time as needed for the project. The appropriation shall be made available in reasonable increments related to various phases of the project development.

Subd. 5. Great River Road Project

360,000

This appropriation is for a grant to the city of Minneapolis for land acquisition related to the Great River Road project along the central waterfront area in downtown Minneapolis.

\$

\$

Subd. 6. Railroad Assistance

2,000,000

This appropriation is from the state transportation fund specified in Minnesota Statutes, sections 222.49 to 222.63, and is to be used as a grant to the St. Louis and Lake County Regional Rail Authority to acquire and develop abandoned rail line of the Duluth, Mesabe, and Iron Range Railroad between Duluth and Two Harbors, Minnesota. If the property is acquired and subsequently liquidated, the proceeds up to \$2,000,000 shall be paid to the state transportation fund by the St. Louis and Lake County Regional Rail Authority.

Subd. 7. Agri-processing facility interest guarantee feasibility study

The department of energy and economic development shall report by February 15, 1988, to the appropriations and finance committees of the legislature on the feasibility of establishing an interest guarantee program for agri-processing facilities.

Sec. 9. IRON RANGE RESOURCES AND REHABILITATION BOARD

To the chair of the iron range resources and rehabilitation board for the purposes specified in this section

9,145,000

(a) For expansion of the Giants Ridge ski center

2,245,000

(b) For a canoe and kayak center

100,000

	\$	\$
(c) For a fieldhouse and multi-sport complex	3,400,000	
(d) Water system	1,700,000	
(e) Sewage system	1,700,000	

The appropriations in this section are for facilities at Biwabik. Each of the appropriations for construction of these facilities is contingent upon designation of the respective facility as an official training site by the United States Olympic Committee and upon issuance of the necessary special tax revenue bonds.

Sec. 10. MILITARY AFFAIRS

2,658,700

This appropriation is to the adjutant general for the purposes specified in this section:

(a) State's share of the costs related to construction of a new armory at Camp Ripley and is only available upon the federal government providing its share of the total construction cost of the facility.

2,458,700

(b) Roof repair and replacement

200,000

Sec. 11. VETERANS AFFAIRS

To the commissioner of administration for projects at the Minneapolis veterans home as specified in this section

1,846,000

(a) Renovate food service facilities

515,000

Demolish building number 7 and construct a new warehouse. No further demolition of buildings shall take place. The Minnesota historical society and the department of veterans affairs shall investigate the feasibility of restoring and reusing the remaining buildings at the Minnesota veterans homes for use by veterans, veterans' families, or veterans' groups.

\$

\$

1,331,000

Sec. 12. AGRICULTURE

8,000,000

This appropriation is from the reinvest in Minnesota resources fund for the conservation reserve program under Minnesota Statutes, section 40.43, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this section.

The approved complement of the department of agriculture is increased by two positions in the unclassified service to implement this section. One position must be a coordinator to work with other agencies to implement this section.

During the biennium, notwithstanding any other law, easements granted under this act may be permanent or if limited duration highest priority must be given to permanent easements consistent with the purposes of this act. Easements of limited duration must be for at least 20 years with provisions for renewal for at least another 20-year period.

Sec. 13. FINANCE

8,000,000

To the commissioner of finance from the state building fund to make grants to qualified joint powers districts under the cooperative secondary facilities grant program under sections 33 to 38. This money is available until expended.

\$

\$

Sec. 14. MINNESOTA AMATEUR SPORTS COMMISSION

300,000

This appropriation is from the amateur athletic facilities account. \$150,000 of this is for fiscal year 1988 and \$150,000 for fiscal year 1989 to operate and maintain the facilities financed by bonds whose debt service is payable primarily from proceeds of the fund.

Sec. 15. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

15,482,100

The appropriations in subdivisions 2 to 8 are from the trunk highway fund.

Subd. 2. Construct new central laboratory and research facility

4,668,000

This appropriation is to plan, construct, and occupy the facility. It is the intention of the legislature that this is a final and nonrecurring appropriation for a central laboratory and research facility.

Subd. 3. District Headquarters

1,191,500

(a) Design new district headquarters building at Bemidji

257,500

(b) Design new district headquarters building at Brainerd

257,500

(c) Design addition to district headquarters building at Duluth.

110,000

	\$	\$
(d) Remodel and construct an addition to district headquarters building at Rochester	566,500	
Subd. 4. Construct weigh scale at Saginaw		485,000
Subd. 5. Construct travel information center at Bemidji		250,000
Subd. 6. Truck stations		2,675,600
(a) Construct addition to Arden Hills truck station	594,100	
(b) Construct vehicle storage building at Adrian truck station	413,800	
(c) Construct vehicle storage building at Austin truck station	689,600	
(d) Construct addition to Breckenridge truck station	90,200	
(e) Design repair shop and truck station at Marshall	51,500	
(f) Construct vehicle storage building at Park Rapids truck station	412,000	
(g) Construct vehicle storage building at Red Wing truck station	424,400	
Subd. 7. Statewide		633,500
(a) Construct chemical storage sheds	206,000	
(b) Construct cold storage buildings	154,500	
(c) Land acquisition	273,000	
This appropriation is to acquire land for truck stations at St. James, Red Wing and Le Sueur, for headquarters at Bemidji, and for access to a site in Blaine for a central laboratory.		
Subd. 8. Construct rest areas at the locations listed in this subdivision		578,500
(a) Hayward (Albert Lea)	222,500	

Funding for this project is 90 per-
cent federal and 10 percent state.

(b) Motley	\$ 32,400
(c) Camp Release (Montevideo)	\$ 32,400
(d) Maple Lake	\$ 33,400
(e) Tofte	\$ 33,400
(f) Cannon Falls	\$ 192,000
(g) Bear Creek (Racine)	\$ 32,400

Subd. 9. Local Road Bridge Re-
placement and Rehabilitation

\$ 5,000,000

This appropriation is from the
transportation fund.

Sec. 16. MINNESOTA HIS- TORICAL SOCIETY

Subdivision 1. To the Minne-
sota historical society for the pur-
poses specified in this section

\$ 61,800,000

Subd. 2. To construct a new
state history center

\$ 55,760,600

Construction must not begin until
fiscal year 1989.

Subd. 3. Plan and construct the
Mille Lacs Indian Museum and
cultural center

\$ 5,252,100

Construction must not begin until
the final plans and specifications
have been presented to the chairs
of the senate finance committee
and house appropriations com-
mittee for recommendation. The
recommendations are advisory
only. Failure or refusal to make a
recommendation promptly is
deemed a negative recommenda-
tion.

Subd. 4. Restoration of the Wil-
liam Le Duc home

\$ 184,000

Subd. 5. Labor History Center

\$ 503,300

This appropriation is for design
development and working draw-
ings.

	\$	\$
Subd. 6. Meighen Store complex restoration and reconstruction	100,000	

Sec. 17. EDUCATION.

Subdivision 1. To the commissioners of administration and education for the purposes specified in this section	1,339,800
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Subd. 2. To the commissioner of administration for the Faribault Academies	439,800
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(a) Academy for the deaf reroof Noyes Hall	95,000
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(b) Academy for the deaf air condition Frechette Hall	238,700
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(c) Academy for the deaf install elevator in Noyes Hall	106,100
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Subd. 3. To the commissioner of education to be used to match local district funds used for the cost of constructing, enlarging, or modifying school buildings, if the commissioner of education determines that these costs are directly related to reducing or eliminating racial imbalance, and are a part of a desegregation plan approved by the commissioner of education during the 1986-1987 school year.	900,000
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Sec. 18. VOCATIONAL TECHNICAL EDUCATION

Subdivision 1. To the state board of vocational technical education for the purposes specified in this section	36,446,200
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Notwithstanding Minnesota Statutes 1986, section 475.61, subdivision 4, the state board of vocational technical education may approve a request by a local school board to use any unobligated balance in the debt redemption fund to pay the districts share of construction projects authorized in this section.

Subd. 2. Post-secondary vocational technical construction in the school districts listed in this subdivision

\$

\$

30,841,800

(a) Independent School District No. 241, Albert Lea

1,734,700

This appropriation is to construct a new facility for diesel mechanics, classrooms, offices, and a resource center. The total cost of the project must not be more than \$2,040,800, whether paid from state, local, or federal money.

(b) Independent School District No. 206, Alexandria

2,127,500

This appropriation is for phases II and III of the Alexandria AVTI construction project. The total cost of the project must not be more than \$2,502,900, whether paid from state, local, or federal money.

(c) Independent School District No. 11, Anoka

971,100

This appropriation is to construct a new student commons and to remodel the present program space. The total cost of the project must not exceed \$1,142,500, whether paid from state, local, or federal money.

(d) Independent School District No. 492, Austin

805,200

This appropriation is to construct new library, classroom, office, and child care space. The total cost of the project must not be more than \$947,200, whether paid from state, local, or federal money.

(e) Independent School District No. 31, Bemidji

693,000

\$

\$

This appropriation is for construction of child care facilities, additional classrooms, and remodeling. The total cost of the project must not be more than \$815,200 whether paid from state, local, or federal money.

(f) Independent School District No. 181, Brainerd

1,326,400

This appropriation is for construction of new space for expansion of programs, library/media center and student services. The total cost of the project must not be more than \$1,560,500 whether paid from state, local, or federal money.

(g) Joint Vocational Technical District No. 900, Canby Campus

70,600

This appropriation is to construct a new library and bookstore, and remodel the existing building. The total cost of the project must not be more than \$70,600 whether paid from state, local, or federal money.

(h) Independent School District No. 22, Detroit Lakes

1,176,100

This appropriation is for construction of classrooms, child care space, student center, video lab, a multi-use room, and remodeling of existing space. The total cost of the project must not be more than \$1,383,600 whether paid from state, local, or federal money.

(i) Independent School District No. 709, Duluth

2,384,900

\$

\$

This appropriation is for reconstruction and remodeling of existing space to meet program needs and alleviate overcrowding, and for construction of new space. The total cost of the project must not be more than \$2,805,700 whether paid from state, local, or federal money.

(j) Independent School District
No. 697, Eveleth

505,800

This appropriation is for construction of new space for programs, student support/assessment space, and improved handicapped access. The total cost of the project must not be more than \$595,000 whether paid from state, local, or federal money.

(k) Independent School District
No. 656, Faribault

1,405,200

This appropriation is to construct new child care and classroom space and a new resource center and to remodel existing buildings. The total cost of the project must not be more than \$1,653,000, whether paid from state, local, or federal money.

(l) Independent School District
No. 701, Hibbing

1,296,000

This appropriation is to purchase and remodel the Davey McKee building, and to study the continued development or replacement of the existing campus. The total cost of the project and the study must not be more than \$1,530,000, whether paid from state, local, or federal money.

(m) Independent School District
No. 77, Mankato

5,111,200

\$

\$

This appropriation is to construct new classroom space and remodel existing buildings. The total cost of the project must not be more than \$6,013,000, whether paid from state, local, or federal money.

(n) Independent School District
No. 152, Moorhead

439,500

This appropriation is for construction of an addition to house student services, child care, and a media/resource center. The total cost of the project must not be more than \$517,000 whether paid from state, local, or federal money.

(o) Independent School District
No. 578, Pine City

1,283,500

This appropriation is to construct classrooms, provide new front entrance, child care, new student support service area, multiuse room, media center, and computer rooms. The total cost of the project must not be more than \$1,510,000, whether paid from state, local, or federal money.

(p) Joint Vocational Technical District No. 900, Pipestone campus

827,000

This appropriation is to construct an addition for the fiberglass program, and to remodel the existing building. The total cost of the project must not exceed \$827,000 whether paid from state, local, or federal money.

(q) Independent School District
No. 256, Red Wing

100,800

This appropriation is to construct a cold storage building. The total cost of the project must not be more than \$118,600, whether paid from state, local, or federal money.

	\$	\$
(r) Independent School District No. 625, St. Paul		4,951,500

This appropriation is to construct new and remodel existing space, develop student commons area, expand library/media center, and provide child care and new administrative area. The total cost of the project must not be more than \$6,013,100, whether paid from state, local, or federal money.

(s) Independent School District No. 564, Thief River Falls	1,797,700
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This appropriation is to construct classrooms at the airport and an addition at the main campus. The total cost of the project must not be more than \$2,114,900, whether paid from state, local, or federal money.

(t) Independent School District No. 819, Wadena	1,803,500
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This appropriation is to reconstruct the existing building to provide new front entrance, new student commons and cafeteria, child care, library, and an addition to house the automotive program. The total cost of the project must not be more than \$2,060,000, whether paid from state, local, or federal money.

(u) Independent School District No. 347, Willmar	30,600
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This appropriation is to remodel the community college administration building for a joint child care center. The total cost of the project must not be more than \$35,900, whether paid from state, local, or federal money.

(v) Special Intermediate School District No. 287, Hennepin Technical Center

\$

\$

Special Intermediate School District No. 287, Hennepin Technical Center, may construct an addition to provide space for general instruction, graphics, drafting, mill-working, automatic packaging, media library, and child care facilities. The total cost of the project must not be more than \$1,607,300, to be paid entirely from local money.

(w) Special Intermediate School District No. 287, Hennepin Technical Center

Special Intermediate School District No. 287, Hennepin Technical Center, is authorized to remodel the existing facility for the horse care program, and to construct new facilities as needed for livestock training and housing. The district may utilize funds authorized in this section to acquire or lease and remodel alternative facilities for the horse care program if found to be more cost effective. The total cost of the project must not be more than \$750,000, to be paid entirely from local money.

(x) Independent School District No. 742, St. Cloud

Independent School District No. 742, St. Cloud, may construct an addition to provide space for general instruction, library, student commons, and child care facilities and to remodel other space as necessary. The total cost of the project must not be more than \$1,107,400, to be paid entirely from local money.

	\$	\$
(a) Roof repair for the following campuses: Albert Lea, Alexandria, Anoka, Brainerd, Dakota County, Detroit Lakes, Duluth, Faribault, Hutchinson, Mankato, Rochester, St. Cloud, Southwestern-Granite Falls, Southwestern-Pipestone, Staples, Suburban Hennepin-South Campus, Thief River Falls, Willmar, and Winona	4,173,600	

(b) Remove asbestos and correct code compliance violations	930,800
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The agency spending this appropriation must prepare a survey and report to the legislature by January 1, 1988, on the asbestos and PCB's that were found and removed and what asbestos and PCB's remain.

Subd. 4. Statewide planning/direct appropriation	500,000
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Sec. 19. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in the following subdivisions	31,903,400
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Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state board for community colleges shall supervise and control the making of necessary repairs to all state community college buildings and structures during the biennium ending June 30, 1989.

Subd. 2. Brainerd Community College	98,400
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This appropriation is to plan the remodeling and expansion of existing space and to plan construction of new space for child care and storage.

	\$	\$
Subd. 3. Hibbing Community College		1,240,000

This appropriation is for construction of new child care and storage space and remodeling expansion of existing space.

Subd. 4. Inver Hills Community College	3,020,000
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This appropriation is to plan and construct or remodel classroom space, child care space, gymnasium, and relocation of administrative services.

Subd. 5. Itasca Community College	7,660,000
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This appropriation is for a new library, campus center, power plant, vehicle storage, child care space, and remodeling of existing space, demolish buildings, and repair roads and parking lots.

Subd. 6. Mesabi Community College	1,250,000
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This appropriation is to construct/remodel additional space for child care, storage, administration, and physical education.

Subd. 7. Normandale Community College	4,930,000
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This appropriation is to plan construction and remodeling of classrooms, labs, and community and cooperative program services.

Subd. 8. Northland Community College	3,710,000
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This appropriation is for construction of a new student center, administrative office, storage space, and child care space, and to remodel fine arts, cafeteria, and gymnasium facilities.

Subd. 9. North Hennepin Community College

\$

\$

970,000

This appropriation is for expanding and remodeling the gymnasium. North Hennepin Community College may contribute up to \$500,000 in campus reserve funds in addition to this appropriation to construct a swimming pool.

Subd. 10. Rochester Community College

2,620,000

This appropriation is for construction of new space for continuing education and child care, and for remodeling/expansion of existing space.

Subd. 11. Willmar Community College

3,090,000

This appropriation is to plan and construct or remodel new classrooms, labs, child care space, elevators, main entry, and additional parking.

Subd. 12. Systemwide

3,315,000

(a) Roof repair for the following campuses: Austin, Hibbing, Inver Hills, Mesabi, Minneapolis, Normandale, North Hennepin, and Rochester.

1,830,000

(b) Remove asbestos, improve sprinkler, mechanical, electrical, and energy systems, expand parking, and improve grounds and athletic fields

1,485,000

The agency spending this appropriation must prepare a survey and report to the legislature by January 1, 1988, on the asbestos and PCB's that were found and removed, and what asbestos and PCB's remain.

Sec. 20. STATE UNIVERSITIES

Subdivision 1. To the state university board for the purposes specified in the following subdivisions

\$

\$

43,133,500

Notwithstanding Minnesota Statutes, sections 16B.30 and 16B.31, during the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements provided for in this section. During the biennium, the state university board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act. The board must not direct or permit an expenditure beyond the appropriation, and an agent of the board violating this provision is guilty of a gross misdemeanor.

\$

\$

The board shall review and report to the governor and the legislature by January 15 of each year on the status of the capital improvement projects in this section.

Notwithstanding Minnesota Statutes 1986, section 16B.24, subdivision 2, during the biennium, the state university board shall supervise and control the making of necessary repairs to all state university buildings and structures during the biennium ending June 30, 1989.

Notwithstanding other law, during the biennium, the state university board, on behalf of St. Cloud and Winona state universities, may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. The board shall make a written request to the department of administration, real estate management division, indicating the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. The board shall proceed with the acquisition consistent with the policies and rules established by the department of administration. Before taking action, the state university board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action. Should either chair object to the proposed purchase, then further action must be suspended pending presentation of the proposal to the legislature for consideration.

\$

\$

During the biennium, the state university board must not prepare final plans and specifications for any construction or major remodeling authorized by this act until it has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chairs of the house appropriations committee and the chair of the senate finance committee and the chairs have made their recommendations. The recommendations are advisory only. "Construction or major remodeling" means construction of a new building, or modifications of a building whose exterior dimension or interior configuration is altered in a material way. Reports on construction or major remodeling must summarize the current status of the individual project, the budget plan, and describe any conditions that are not consistent with the initial request, legislative testimony, or the appropriation. If applicable, schematic design documents must accompany the reports. Reports on projects that are not included in the above definition must be made before awarding bids. The reports must summarize the status of the individual projects, the budget plan, and any departure that may need to be made from the system's initial request. Architectural and design work may continue in accordance with the project schedule unless objections are raised by the chairs. If a unique situation arises during the planning process that may require a significant departure from the initial request or the appropriation, the agency or university must notify the chairs and await their responses before

	\$	\$
authorizing further work on the plans.		
Subd. 2. Bemidji Campus Remodel Sattgast Hall		5,039,300
Subd. 3. Mankato Campus		3,025,100
(a) Remodel Wiecking Center	1,390,500	
(b) Planning for Memorial Library	623,200	
(c) Planning for Trafton Hall addition	606,000	
(d) Planning for classroom/office building	405,400	
Subd. 4. Moorhead Campus		3,126,100
(a) Plan and remodel Hagen Hall, and upgrade the electrical distribution system	1,431,700	
(b) Construction of Regional Science Center	1,102,100	
(c) Enclose Center for the Arts courtyard	592,300	
Subd. 5. Saint Cloud Campus		20,054,700
(a) Remodel Stewart Hall	8,168,900	
(b) Construct and relocate greenhouse	927,000	
(c) Planning for Rec-Sports facility	191,000	
The student portion of this cost shall be based on a per student fee equal to that paid by students at the University of Minnesota, Twin Cities Campus.		
(d) Repair of Business Building Exterior	267,800	
(e) Acquisition of recreation fields land	1,000,000	

	\$		\$
(f) Ice hockey center		9,500,000	

This appropriation is contingent upon designation of the facility as an official training site by the United States Olympic Committee and upon issuance of the necessary special tax revenue bonds.

Subd. 6. Southwest Campus	1,658,300
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(a) Waterproof tunnels	442,900
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(b) Tuck pointing	273,000
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(c) Planning for athletic building	139,000
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The student portion of this cost shall be based on a per student fee equal to that paid by students at the University of Minnesota, Twin Cities Campus.

(d) Construction of classrooms and labs	248,900
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(e) Resurfacing of tennis courts and running track	154,500
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The student portion of this cost shall be based on a per student fee equal to that paid by students at the University of Minnesota, Twin Cities Campus.

(f) 2 telecommunication towers and equipment for the Southwest Regional microwave backbone	400,000
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Subd. 7. Winona Campus	1,110,000
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(a) Planning for applied science building	950,000
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(b) Planning for track/stadium complex	160,000
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The student portion of this cost shall be based on a per student fee equal to that paid by students at the University of Minnesota, Twin Cities Campus.

Subd. 8. Statewide	9,120,000
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(a) Abate asbestos materials and PCB's in transformers	5,000,000
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The agency spending this appropriation must prepare a survey and report to the legislature by January 1, 1988, on the asbestos and PCB's that were found and removed, and what PCB's remain.

(b) Roof repair for the following campuses: Bemidji, Mankato, Moorhead, St. Cloud, Southwest, and Winona

\$ 4,120,000

Sec. 21. UNIVERSITY OF MINNESOTA

Subdivision 1. To the regents of the University of Minnesota for the purposes specified in the following subdivisions

40,352,300

Subd. 2. Crookston Campus

1,119,400

(a) Plan agriculture operations management center

200,000

(b) Construct linkages between various buildings

752,400

(c) Watermain and sanitary sewer rehabilitation

167,000

Subd. 3. Duluth Campus

6,134,000

(a) Replace boiler

1,752,300

(b) Construct math/geology building addition

2,086,900

(c) Construct Bohannon Hall addition

2,205,700

(d) Plan Freshwater Research Laboratory

89,100

Subd. 4. Morris Campus

511,700

(a) Repair roof and renovate Old Music Building

84,000

(b) Plan student union renovation

209,900

(c) Construct grain and feed handling facility

217,800

Subd. 5. Rosemount Research Center

2,000,000

	\$	\$
This appropriation is to clean up waste at the Rosemount Research Center.		

Subd. 6. Twin Cities Campuses	21,335,900
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(a) Remodel Green Hall, phase II	4,747,100
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(b) Develop comprehensive capital improvement plan for biological and related sciences	250,000
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(c) Plan construction of Earth Sciences Building	2,237,400
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(d) Plan renovation of vacated hospital space	891,000
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(e) Plan veterinary diagnostic lab renovation and construction	481,100
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(f) Plan Fraser Hall remodeling	786,100
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(g) Construct phase I of a recreational sports/physical education facility. Construction may not begin until the state appropriation has been matched by \$4,000,000 from student fees and \$5,200,000 from private funds.	8,500,000
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(h) Upgrade general purpose classrooms	2,827,400
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(i) Construct animal waste processing and utilization unit on St. Paul Campus	615,800
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(j) Swimming center	3,000,000
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This appropriation is contingent upon designation of the facility as an official training site by the United States Olympic Committee and upon issuance of the necessary special tax revenue bonds.

(k) Fencing center	250,000
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This appropriation is contingent upon designation of the facility as an official training site by the United States Olympic Committee and upon issuance of the necessary special tax revenue bonds.

Subd. 6. Waseca Campus	1,601,300
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	\$	\$
(a) Plan recreational sports/ physical education addition	435,000	
The student portion of this cost shall be based on a per student fee equal to that paid by students at the University of Minnesota, Twin Cities Campus.		
(b) Renovate agriculture laboratories	1,002,900	
(c) Construct a truck, tractor, and equipment storage building	163,400	
Subd. 7. Systemwide		4,400,000

This appropriation is for fire and life safety; Phase II of PCB removal; asbestos treatment and removal; upgrade for the physically handicapped; and construction of an agricultural chemical storage facility on the St. Paul Campus.

It is requested that the University report to the legislature by January 15, 1988, on the status of the projects for which appropriations were made in subdivisions 5 and 7.

Sec. 22. CORRECTIONS

Subdivision 1: To the commissioner of administration for the purposes specified in the following subdivisions

2,743,300

Subd. 2. Minnesota correctional facility - Lino Lakes "Q" building addition

206,000

Subd. 3. Minnesota Correctional Facility - Red Wing Boiler retrofit

25,000

Subd. 4. Minnesota Correctional Facility - Saint Cloud

250,800

(a) Fire and life safety projects

154,500

(b) Retrofit boiler with high efficiency burner

96,300

\$ \$

This appropriation is to convert high pressure boilers to year-round low pressure operation.

Subd. 5. Minnesota Correctional Facility - Sauk Centre
Sullivan Cottage Remodeling -
Phase 3

194,100

Subd. 6. Minnesota Correctional Facility - Stillwater

1,926,900

(a) Screens for cell hall windows

458,000

(b) Industry storage building for steel

168,900

(c) Auditorium conversion (Stillwater)

1,300,000

Subd. 7. Thistledew Camp Program Activities Center

140,500

Sec. 23. HUMAN SERVICES

Subdivision 1. To the commissioner of administration or others for the purposes specified in the following subdivisions

3,450,000

Subd. 2. Brainerd Regional Treatment Center

700,000

This appropriation is to replace water and condensate lines at the hospital administration building.

Subd. 3. Faribault Regional Treatment Center

500,000

This appropriation is to upgrade the primary electrical system.

Subd. 4. Mash-Ka-Wisen juvenile chemical dependency treatment center

400,000

\$ \$

This appropriation is to the department of human services for a grant to a nonprofit organization located within Minnesota that is designated by the federal government to receive federal funds to construct a regional American Indian youth chemical dependency treatment center. If a nonprofit organization in Minnesota is not selected to receive federal funds by June 30, 1989, the appropriation is canceled. The appropriation is to help defray the costs of construction of the treatment center.

Subd. 5. Systemwide

1,850,000

(a) Life safety

550,000

(b) Residential building heating, ventilation, and air quality control

800,000

(c) Remodel chemical dependency program space

500,000

Sec. 24. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

452,000

Sec. 25. [BOND SALE.]

Subdivision 1. [BUILDING FUND.] To provide the money appropriated in this act from the state building fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$354,614,700 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. To the extent permitted by section 31, the bonds must be general obligation special tax bonds paid for with the proceeds of the cigarette tax or the sales tax that are credited to the general obligation special tax debt service accounts in the state bond fund.

Subd. 2. [REINVEST IN MINNESOTA FUND.] To provide the money appropriated in this act from the reinvest in Minnesota fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$16,000,000 in the

manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Subd. 3. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$7,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 4. [WASTE MANAGEMENT FUND.] To provide the money appropriated in this act from the state waste management fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$3,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state waste management fund.

Subd. 5. [WATER POLLUTION CONTROL FUND.] To provide the money appropriated in this act from the water pollution control fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$72,300,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the water pollution control fund.

Sec. 26. [CONSULTATION REQUIRED.]

Land must not be purchased and a building must not be purchased, constructed, or erected on land of the University of Minnesota until the regents have first consulted with the chair of the senate finance committee and the chair of the house appropriations committee and obtained their advisory recommendations.

Sec. 27. [REVIEW OF PLANS.]

An agency to whom an appropriation is made in this act must not prepare final plans and specifications for any construction or major remodeling authorized by this act until the agency that will use the project has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 28. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, or upon the abandonment of the project, the agency to whom the appropriation is made in this act may transfer the unencumbered balance in the project account to another project enumerated in the same section. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of vocational technical education, the total cost of both projects and the required local share for both projects are adjusted accordingly. The commissioners and boards shall report to the chair of the senate finance committee and the chair of the house appropriations committee before a transfer is made under this section.

Sec. 29. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

An agency that receives an appropriation in this act shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization may be made only after the agency has consulted with the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 30. [METHODS OF ACQUISITION.]

If money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real

estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

Sec. 31. [16A.661] [GENERAL OBLIGATION SPECIAL TAX BONDS.]

Subdivision 1. [AUTHORITY.] When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue general obligation special tax bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are payable primarily from the proceeds of special taxes appropriated to special tax bond debt service accounts established in subdivision 3 and other money on hand in that fund from time to time; however, the bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Subd. 2. [MANNER OF ISSUANCE; MATURITIES.] The bonds must be issued and sold in accordance with section 16A.641, except that the maturities of the bonds and the interest rates applicable to the bonds must be fixed so that the principal and interest coming due in the 1987-1989 biennium on all bonds outstanding at any time does not exceed \$12,250,000. Sections 16A.672 and 16A.675 apply to the bonds.

Subd. 3. [ESTABLISHMENT OF DEBT SERVICE FUND; APPROPRIATION OF DEBT SERVICE FUND MONEY.] (a) There is established within the state bond fund a separate and special account designated as a general obligation special tax bond debt service account. There must be credited to this debt service account in each fiscal year from the tobacco tax revenue fund established in section 297.13 an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from proceeds of the tax to and including the second following July 1. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

(b) There is established within the state bond fund a separate and special account designated as a general obligation special tax bond debt service account. There must be credited to this debt service account in each fiscal year from the sports and health club sale tax revenue fund established in section 49 an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from proceeds of the tax to and including the

second following July 1. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Subd. 4. [APPROPRIATION FROM GENERAL FUND.] There is annually appropriated to the general obligation special tax bond debt service accounts from the general fund the amount that, added to the amount in the general obligation special tax bond debt service accounts on December 1 each year, after giving effect to subdivision 3, is equal to the full amount of principal and interest to come due on all bonds to and including July 1 in the second ensuing year.

Subd. 5. [CONSTITUTIONAL TAX LEVY.] Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the general obligation special tax bond debt service accounts, to pay all principal and interest on the bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limit as to rate or amount. However, the amount of money appropriated from other sources as provided in subdivisions 3 and 4, and actually received and on hand before the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the appropriate general obligation special tax bond debt service account.

Subd. 6. [TAXABILITY; CERTIFICATION.] The commissioner shall ascertain from state records and certify to the initial purchasers of each series of bonds, subject to the approval of the attorney general, that all conditions exist and all actions have been taken that are needed to make the series of bonds valid and binding general obligations of the state in accordance with their terms. The bonds may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. However, if it is intended that the interest on the bonds be exempt from federal income taxes, the commissioner shall also certify for the state on the date of issue the facts, estimates, and circumstances that lead the commissioner reasonably to expect that the proceeds of the bonds and the projects financed by them will not be used in a way that would cause the interest on the bonds to be subject to federal income taxes; the commissioner may covenant and agree with the holders of the bonds that the state will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that are or may be applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the commissioner and all other state officers shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent for compliance is appropriated to the commissioner from the general fund.

Subd. 7. [APPLICATION AND APPROPRIATION OF PROCEEDS.] The proceeds of the bonds must be deposited and spent as provided in this subdivision and are appropriated for those purposes. Any accrued interest and any premium received on the sale of the bonds, and any amount of bond proceeds determined by the commissioner to be needed to pay interest payable on the bonds up to 18 months following their issuance, must be credited to the appropriate general obligation special tax bond debt service account. Except as required for section 25, subdivisions 2 and 4, the balance of the bond proceeds shall be credited to the state building fund and spent for the purposes specified in the law authorizing the issuance of the bonds. So much of the proceeds as is necessary must be used to pay costs incurred in issuing and selling the bonds.

Subd. 8. [SPECIFIC BOND AUTHORIZATION.] (a) Upon request by the governor, the commissioner of finance may issue general obligation special tax revenue bonds under subdivision 1, to provide money appropriated for the purposes specified in sections 5, subdivision 4, (RIM); 7 (WPCF); and 12 (RIM).

(b) Upon request by the governor, the commissioner of finance may issue general obligation special tax revenue bonds under subdivision 1, to provide money appropriated for the purposes specified in sections 8, subdivision 3, (DEED); 9 (IRRRB); and 20, subdivision 5, clause (f), (St. Cloud State University); and 21, subdivision 6, (University of Minnesota).

Sec. 32. [85.012] [Subd. 19.] [MYSTERY CAVE ADDED TO FORESTVILLE STATE PARK.]

Subdivision 1. The commissioner of natural resources is authorized to acquire by gift or purchase the lands and interests in lands presently owned or controlled by the owners and operators of Mystery Cave, in Fillmore county, together with such other lands and interests in lands as may be necessary for the permanent development of Mystery Cave as a part of the state park system. These lands and interests in lands, when acquired, will constitute a part of Forestville state park, and shall be administered in the same manner as provided for other state parks and shall be perpetually dedicated for such use. After necessary repairs and development, the commissioner may conduct guided tours of Mystery Cave and may establish fees therefor. These fees shall be deposited in the state park working capital fund. As necessary to the operation of Mystery Cave, the commissioner may enter into agreements with local road authorities for the maintenance or improvement of roads necessary to provide access to the cave.

Subd. 2. The lands and interests in lands which the commissioner may acquire by gift or purchase for Mystery Cave are described as follows:

(1) the North Half of the East 16 acres of the Southeast Quarter of the Southeast Quarter, the Southeast Quarter of the Southeast Quarter of the Southeast Quarter, and the East 1 acre of the Southwest Quarter of the Southeast Quarter of the Southeast Quarter in Section 19; the Southwest Quarter of the Southwest Quarter of the Southwest Quarter, and the North 20 acres of the East Half of the Southeast Quarter of Section 20; and a 2 rod cartway, the center line being described as follows: Commencing at a point 155 feet West of the northeast corner of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of Section 19, thence North 10 degrees 30 minutes West 600 feet, thence North 38 degrees 15 minutes West 196 feet, thence North 3 degrees West 460 feet to center of cartway; all in Township 102 North, Range 12 West, County of Fillmore; and

(2) subsurface estates and related rights and interests in lands needed for the permanent preservation of the cave and permanent development of those parts that will be open to the public. These subsurface estates shall include all minerals and mineral rights. The commissioner may exclude subsurface water and water rights from these acquisitions, on the condition that the location and drilling of wells be approved by the commissioner before drilling and that any water appropriation permit not substantially diminish the flow of any subterranean stream necessary to the natural condition of the cave. To the greatest extent possible, and for the purpose of avoiding future damage to the cave, the commissioner shall specifically include, as a part of the subsurface interests acquired, all sand, gravel, rock, and any other rights that customarily are regarded as interests in surface estates.

Subd. 3. [APPROPRIATION.] \$162,000 is appropriated from the general fund to the commissioner of natural resources to be available until expended for the following purposes to implement the acquisition of Mystery Cave as part of Forestville state park under section 1. The following amounts are appropriated from the general fund to the commissioner for the purposes specified:

(a) for additional equipment \$ 30,000

(b) for maintenance and
 operation \$132,000

The approved complement of the department of natural resources is increased by one position in the classified service.

Sec. 33. [124.491] [CITATION.]

Sections 34 to 38 may be cited as the "cooperative secondary facilities grant act."

Sec. 34. [124.492] [POLICY AND PURPOSE.]

Because of the rates of decline in school-aged population, population shifts and economic changes that the state has experienced in recent years and anticipates in future years, and because in some instances local school districts have not, and will not be able to provide the required construction funds through local property taxes, the purpose of the cooperative secondary facilities grant program is to provide an incentive to encourage cooperation in making available to all secondary students those educational programs, services and facilities that are most efficiently and effectively provided by a cooperative effort of several school districts. The policy and purpose of sections 35 to 37 is to use the credit of the state, to a limited degree, to provide grants to cooperating groups of school districts to improve and expand the educational opportunities and facilities available to their secondary students.

Sec. 35. [124.493] [APPROVAL AUTHORITY; APPLICATION FORMS.]

Subdivision 1. [APPROVAL BY COMMISSIONER.] To the extent money is available, the commissioner of education may approve or disapprove applications under section 36. The grant money must be used only to acquire, construct, remodel or improve the building or site of a cooperative secondary facility under contracts to be entered into within 15 months after the date on which each grant is awarded.

Subd. 2. [APPLICATION FORMS; RULES.] The commissioner of education shall prepare application forms. The state board of education shall adopt rules under chapter 14 to govern the application process set out in section 36.

Sec. 36. [124.494] [GRANT APPLICATION PROCESS.]

Subdivision 1. [QUALIFICATION.] Any group of school districts that meets the criteria required under subdivision 2 may apply for an incentive grant in an amount up to 75 percent of the approved construction costs of a cooperative secondary education facility.

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade twelve enrollments in each district of no more than 1,000 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least 240 pupils would be served in grades 10 to 12, 320 pupils would be served in grades 9 to 12, or 480 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings for students than is currently available in any single member district; and

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

Subd. 3. [DISTRICT PROCEDURES.] A joint powers board of a secondary district established under subdivision 2 that intends to apply for a grant shall adopt a resolution stating the proposed costs of the project, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the grant is requested will be contracted for and completed. Applications for the state grants must be accompanied by (a) a copy of the resolution, (b) a certificate by the clerk and treasurer of the joint powers board showing the current outstanding indebtedness of each member

district, and (c) a certificate by the county auditor of each county in which a portion of the joint powers district lies showing the information in the auditor's official records that is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue of each member district, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications and necessary data must be in the form prescribed by the commissioner and the rules of the state board of education. When an application is received, the commissioner shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records that is required to be used in computing the debt limit of the joint powers district under section 475.53, subdivision 4.

Subd. 4. [AWARD OF GRANTS.] The commissioner shall examine and consider all applications for grants, and if any joint powers district is found not qualified, the commissioner shall promptly notify that joint powers board. On January 1 and July 1 of each year, the commissioner shall make a determination on all pending applications that have been on file with the commissioner more than one month. If the applicants are determined to be qualified by the commissioner and the total amount of the grants applied for does not exceed the amount available or that can be made available in the incentive grant account, all grants so applied for shall be approved, subject to verification by the joint powers districts as specified in subdivision 6. If the total amount of the applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount among the qualified applicant districts, according to the commissioner's judgment and discretion based upon their respective needs. The commissioner shall promptly certify to each qualified joint powers district the amount, if any, of the grant awarded to it.

Subd. 5. [REFERENDUM; BOND ISSUE.] Within 90 days after being awarded a grant under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the bonds are authorized by the voters, the commissioner shall notify the county auditor of each county in which the joint powers district is located that the grant amount certified under subdivision 4 is available and appropriated for

payment of principal and interest on the bonds issued under this subdivision, and the auditor shall reduce the joint powers district's debt service levies accordingly. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Subd. 6. [CONTRACT.] Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. It obligates the state to pay to the joint powers board an amount computed according to subdivision 4, upon receipt by the commissioner of a certified resolution of the joint powers board verifying that contracts have been entered into for construction or remodeling of the facilities for which the grant is awarded and that bonds of the joint powers district have been issued and sold in the amount necessary to pay all project costs in excess of the amount of the grant, and estimating the costs.

Sec. 37. [124.495] [STATE BOND AUTHORIZATION.]

To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$8,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 38. [124.496] [REPORT TO THE LEGISLATURE.]

By January 15 of each year, the commissioner of education shall report to the legislature on the implementation of the cooperative secondary facilities grant program established in sections 1 to 5.

Sec. 39. [240A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 40 to 45, the words defined in this section have the meanings given them.

Subd. 2. [COMMISSION.] "Commission" means the Minnesota amateur sports commission.

Subd. 3. [LOCAL GOVERNMENTS.] "Local governments" means counties, towns, statutory or home rule charter cities, school districts, or any combination of them.

Subd. 4. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property or both suitable for holding those amateur sports competitions determined by the commission.

Sec. 40. [240A.02] [MINNESOTA AMATEUR SPORTS COMMISSION.]

Subdivision 1. [CREATION.] The Minnesota amateur sports commission is created.

Subd. 2. [MEMBERSHIP.] The commission consists of seven members appointed by the governor. In making the initial appointments, the governor shall stagger the terms of the appointments so that three members serve for two years, two for four years, and two for six years. Thereafter, members shall serve terms of six years. Members of the initial board and all other boards are eligible for reappointment.

Subd. 3. [CHAIR.] Upon recommendation of the commission, the governor shall appoint the chair of the commission.

Subd. 4. [MEETINGS.] The commission shall meet at least quarterly and at other times determined by the commission and shall adopt rules to govern its proceedings.

Subd. 5. [STAFF.] The commission shall appoint an executive director who may hire the employees as authorized by the commission. The compensation of the executive director and other employees shall be determined by the commission.

Subd. 6. [COMPENSATION; EXPENSES; REMOVAL.] Commission members shall receive \$50 per meeting of the commission and shall be reimbursed for expenses incurred in performing the necessary business of the commission. A member of the commission may be removed as provided in section 15.0575.

Sec. 41. [240A.03] [GENERAL POWERS OF THE COMMISSION.]

Subdivision 1. [GENERAL.] The commission has the powers necessary and convenient to discharge the duties imposed by law, including but not limited to those provided in this section.

Subd. 2. [ACTIONS.] The commission may sue and be sued and is a public body within the meaning of chapter 562.

Subd. 3. [PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property necessary to the purposes of amateur sports facilities.

Subd. 4. [CONSTRUCTION AND OPERATION.] The commission may own, operate, construct, repair, or refurbish, and enter into contracts for the same purposes for real or personal property or both necessary for amateur sports facilities.

Subd. 5. [EXEMPTION OF PROPERTY.] Real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for the purposes of amateur sports facilities is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state, provided that the properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any of the properties in any manner different from their use under sections 40 to 45 at the time shall be considered in determining the special benefit received by the properties. Assessments shall be subject to final confirmation by the commission, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment.

Subd. 6. [DISPOSITION OF PROPERTY.] The commission may sell or otherwise dispose of any real or personal property acquired by it that is no longer required for accomplishment of its purposes. The property shall be sold in the manner provided by section 458.196, insofar as practical and consistent with sections 473.551 to 473.595.

Subd. 7. [CONTRACTS.] The commission may contract for materials, supplies, and equipment, and may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, project manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities.

Subd. 8. [GIFTS AND GRANTS.] The commission may accept gifts of money, property, or services; may apply for and accept grants or loans of money or other property from the United States, the state, a subdivision of the state, or a person for any of its purposes; may enter into an agreement required in connection with it; and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, loan, or agreement relating to it. The commission may also make grants, gifts, and bequests of money, property, or services and enter into contracts to carry out the same. Money received under this subdivision is annually appropriated to the commission.

Subd. 9. [RESEARCH.] The commission may conduct research studies and programs; collect and analyze data; prepare reports, maps, charts, and tables; and conduct necessary hearings and investigations in connection with its functions.

Subd. 10. [USE AGREEMENTS.] The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to persons for the use, occupation, and availability of part or all of any premises, property, or facilities

under its ownership, operation, or control. Any use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 11. [INSURANCE.] The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may obtain insurance in the amounts it considers necessary to protect it against the liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 12. [RULES AND PROCEDURES.] The commission may adopt rules and procedures to implement its authority under sections 40 to 45. The rules and procedures are exempt from the rulemaking requirements of chapter 14.

Sec. 42. [240A.04] [PROMOTION AND DEVELOPMENT OF AMATEUR SPORTS.]

In addition to the powers and duties granted under section 13, the commission shall:

(1) promote the development of olympic training centers within the state;

(2) promote physical fitness in sports;

(3) develop, foster, and coordinate services and programs of physical fitness and amateur sports for the people of Minnesota;

(4) sponsor amateur sport workshops, clinics, conferences, and similar activities;

(5) provide recognition for outstanding developments and achievements in and contributions to amateur sports;

(6) stimulate and promote physical fitness in amateur sport research;

(7) collect, disseminate, and communicate amateur sport information throughout the amateur sport community;

(8) promote the development of amateur sport programs in schools and local governments;

(9) encourage local governments and communities to develop local physical fitness and amateur sport programs;

(10) develop programs to promote personal health, physical fitness, and participation in amateur sports in cooperation with medical, dental, sports medicine, and other similar professional societies;

(11) promote the development of recreational amateur sport opportunities and activities in the state, including the means of facilitating acquisition, proper financing, construction, and rehabilitation of sports facilities for the holding of minor and major amateur sporting events;

(12) promote national and international amateur sport competitions and events;

(13) sanction or sponsor any amateur sport competition, unless that sanction or sponsorship is harmful to the competition or to any participant in the competition;

(14) join and continue in membership in any regional or national amateur sports association or organization;

(15) promote the mainstreaming and normalization of people with physical disabilities, visual and hearing impairments in amateur sports; and

(16) take any and all other action necessary to further the purpose and interests of amateur sports in this state.

Sec. 43. [240A.05] [SANCTION OF CERTAIN EVENTS.]

The commission may sponsor or sanction amateur sporting events that include athletes who participate in events sponsored or sanctioned by the Minnesota state high school league or any other governing body of sport.

Sec. 44. [240A.06] [STATE AMATEUR ATHLETIC GAMES.]

Subdivision 1. [SPONSORSHIP REQUIRED.] The commission shall sponsor and sanction a series of statewide amateur athletic games patterned after the winter and summer Olympic Games, with variations as required by facilities, equipment, and expertise. The games shall be held annually beginning in 1989, except as otherwise allowed by the availability of funds or facilities and unless the time of the games would conflict with other sporting events as the commission determines.

Subd. 2. [LIMITATIONS.] The games shall be designed to encourage the participation of athletes representing a broad range of age groups, skill levels, physical disabilities, and Minnesota communities. Primary participants shall be residents of Minnesota. Regional

competitions to determine participants in the games may be held throughout the state, and the top qualifiers in each sport or the regional competitions are qualified to participate in the state amateur athletic games. The games shall be held at an appropriate site in the state.

Sec. 45. [240A.07] [COOPERATION URGED.]

Local governments are urged to cooperate with the commission to the greatest extent practicable in providing facilities for use in amateur sports and olympic training.

Sec. 46. Minnesota Statutes 1986, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in a separate and special fund, designated as the tobacco tax revenue fund, in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 31, subdivision 3, paragraph (a); and

(b) after the requirements of paragraph (a) of this subdivision have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a Minnesota resources fund for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16, provided that, if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16 less any amount credited to the general obligation special tax debt service account under paragraph (a), with respect to bonds issued for the prevention, control, and abatement of water pollution;

(3) the revenue produced by one-half mill of the tax on cigarettes weighing not more than three pounds a thousand and one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund, provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund; and

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 47. Minnesota Statutes 1986, section 297.26, is amended to read:

297.26 [REVENUE DISTRIBUTION.]

All revenues derived from taxes, penalties and interest under sections 297.21 to 297.26 shall be deposited by the commissioner in the general tobacco tax revenue fund and disposed of in the same manner as provided by section 297.13 for revenues received under sections 297.01 to 297.13.

Sec. 48. Minnesota Statutes 1986, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter. "Sales" also include the transfer of computer software, meaning information and directions which dictate the function to be performed by data processing equipment and which are sold without adaptation to the specific requirements of the purchaser. This type of computer software, whether contained on tape, discs, cards, or other devices, shall be considered tangible personal property;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service; the tax imposed on

amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association but shall not apply with respect to the sale of a horse bred and born in the state of Minnesota;

(i) The granting of membership in a club, association or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 49. Minnesota Statutes 1986, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) and (c) all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the agricultural resource loan guaranty fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty fund shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 48, paragraph (i), clauses (1) and (2), must be deposited by the commissioner of revenue in a separate and special fund, designated as the sports and health club sales tax revenue fund in the state treasury and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 31, subdivision 3, paragraph (b); and

(2) after the requirements of paragraph (a) of this section have been met:

(i) no more than the amounts specifically appropriated to operate and maintain facilities financed under sections 5, subdivision 4; 7; 8, subdivision 3; 9; 12; 20, subdivision 5, clause (i); and 21, subdivision 6, clauses (j) and (k) must be credited to an amateur athletic facilities account set up for this purpose; and

(ii) the balance must be credited to the general fund.

Sec. 50. [LOCAL BONDING AUTHORITY.]

Subdivision 1. [BONDING AUTHORITY.] In addition to bonds authorized by other law, independent school district No. 625 may issue \$400,000 in general obligation bonds in 1987 or 1988 for capital repairs and improvements. The bonds issued under this section are not subject to Minnesota Statutes, sections 475.58, 475.59, or the first sentence of 475.53, subdivision 5. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of chapter 124 or any other law other than Minnesota Statutes, chapter 475.

The bonds must not be issued until the school district has conveyed to the city of Saint Paul, by recordable deed, all of the interest of independent school district No. 625 in property legally described as King's Park View, Block 2. The property is otherwise known as the Edgcumbe school site and is bounded by Hamline Avenue, Pinehurst Avenue, Syndicate Street, and Ford Parkway. The school district may accept contributions, direct or indirect, related to the conveyance, from any source, provided that the amount of bonds authorized under this section must be reduced by the amount of contributions accepted except for contributions associated with the costs of issuing the bonds.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay for the principal of and interest on bonds issued under subdivision 1, independent school district No. 625 must levy a tax annually in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law. The tax authorized under this section is not subject to and must be disregarded in the calculation of any levies subject to limits on levies provided in Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 51. [PLANNING.]

In its planning for new program offerings at a particular institution, each public post-secondary governing board shall consider the availability of physical space and the adequacy of facilities at that institution. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different institution within its system.

Sec. 52. [GREAT RIVER ROAD BONDS.]

Subdivision 1. The city of Minneapolis may issue \$6,000,000 in general obligation bonds for land acquisition in connection with the great river road project. The bonds must be issued before December 31, 1987. The bonds issued under this subdivision are not included in the net indebtedness of the city as defined in Minnesota Statutes, section 475.51, subdivision 4.

Subd. 2. Upon certification by the city of Minneapolis to the department of finance and the Minnesota pollution control agency that the city has issued \$6,000,000 in bonds under subdivision 1, any current or future repayments required by Minnesota Statutes, section 116.162, subdivision 6, are canceled.

Sec. 53. [EXPANDING USE OF RED RIVER DIKE FUNDS.]

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

Sec. 54. [CAPITAL IMPROVEMENTS.]

Subdivision 1. [CAPITAL IMPROVEMENT LEVY.] Dakota county may levy a property tax annually for a capital improvement program. The proceeds shall be placed in a capital improvement fund for the construction of an administrative office facility and disbursed like other county funds. Proceeds not used in the year collected may be held over for use in subsequent years. Interest earnings on money in the fund shall accrue to the fund. The tax shall be disregarded in the calculation of any levies or limits on levies provided by Minnesota Statutes, chapter 275, or other law.

Subd. 2. [AUTHORIZATION.] The county board may, by resolution, without submitting the question to a vote of the people, sell and issue up to \$7,000,000 in general obligation bonds of the county for an administrative office facility. This authority is in addition to any other authority granted by Minnesota Statutes, section 473.811, or other law.

Subd. 3. [FORM OF BONDS.] Payment of the bonds shall be secured by pledging the full faith and credit and taxing power of Dakota county. The county board shall prescribe the form of the bonds and their interest rate and sell them to the highest bidder after publication of the notice of the time and place for receiving the bids. Proceeds from the sale of the bonds shall be deposited in the capital improvement fund and disbursed like other county funds. Any unexpended balance in the capital improvement bond fund at the close of a fiscal year may be carried over for expenditure or encumbrance in subsequent fiscal years. Except as provided in this section, Minnesota Statutes, chapter 475 shall govern the issuance and payment of the bonds.

Sec. 55. [REVERSE REFERENDUM.]

Before each issuance of bonds under section 54, the county board shall publish its intention to do so for two successive weeks in the

official newspaper of the county or a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing to obtain public comment on the matter. The hearing shall be held not less than two nor more than four weeks after the first publication of the resolution.

If a petition requesting a vote on the issuance, signed by voters equal in number to ten percent of the votes cast in the county in the last general election, is filed with the county auditor within 30 days after the hearing, the bonds must not be issued until a majority of the voters at a general or special election cast affirmative votes on the question of their issuance.

Sec. 56. [EFFECTIVE DATE.]

Sections 1 to 49, and 51 to 53, are effective the day following their final enactment.

Section 50 is effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, section 645.021, subdivision 3. Sections 54 and 55 are effective the day after the governing body of Dakota county complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state and local bonds; authorizing levies; imposing taxes; appropriating money; amending Minnesota Statutes 1986, sections 297.13, subdivision 1; and 297.26; 297A.01, subdivision 3; 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A and 124; proposing coding for new law as Minnesota Statutes, chapter 240A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1122, A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; paying certain claims; appropriating money; amending Minnesota Statutes 1986, sections

17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; 223.17, subdivision 1; and 580.031.

Reported the same back with the following amendments:

Delete everything after page 1, line 12, and insert:

"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 800,000 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."

Delete the title and insert:

"A resolution memorializing the President and Congress to provide fair treatment for dairy farmers."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1407, A bill for an act relating to environment; establishing a siting process for a low-level radioactive waste facility; providing for volunteer sites and an alternative site selection process; establishing a siting board; appropriating money; amending Minnesota Statutes 1986, sections 116C.832, subdivision 1, and by adding subdivisions; 116C.834, subdivision 1; and 116C.842, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reported the same back with the following amendments:

Page 1, line 22, after "radioactive" insert "waste"

Page 1, line 25, delete "citizens"

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

Page 2, after line 1, insert "116C.834 [ASSESSMENT OF GENERATORS.]"

Page 2, line 20, after "10" insert "to the extent that the costs are reasonably attributable to waste generated in this state"

Page 2, after line 22, insert:

"Subd. 2. [COLLECTION AND DEPOSIT.] Fees assessed under subdivision 1 shall be collected by the commissioner of revenue. All money received pursuant to this subdivision shall be deposited in the general special revenue fund."

Page 2, line 28, delete "citizens"

Page 3, delete section 6

Page 3, line 13, delete "make" and insert "issue" and delete "of the determination"

Page 3, line 14, delete "Minnesota"

Page 3, line 16, delete "make a determination" and insert "determine"

Page 3, line 23, delete "CITIZENS"

Page 3, line 24, delete "citizens"

Page 3, line 26, delete "low-level radioactive waste"

Page 3, line 30, delete "Minnesota"

Page 3, line 36, delete "Minnesota"

Page 4, line 2, delete "Minnesota"

Page 4, line 14, delete "low-level radioactive waste facility"

Page 5, delete section 11 and insert:

"Sec. 11. [APPROPRIATIONS.]

\$1,320,000, but not more than the fees anticipated to be received from the assessment against low-level radioactive waste generators under Minnesota Statutes, section 116C.834, is appropriated from the special revenue fund to the environmental quality board to pay for costs of the siting board for expenses incurred under Minnesota Statutes, section 116C.842 and sections 9 and 10. The approved complement of the state planning agency is increased by seven positions. \$660,000 is for fiscal year 1988 and \$660,000 is for fiscal year 1989."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 8, delete ", subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1453, A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating a division of science and technology within the department of energy and economic development; creating a committee on science and technology research and develop-

ment and providing for its powers and duties; appropriating money; amending Minnesota Statutes 1986, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [116J.970] [SCIENCE AND TECHNOLOGY OFFICE ESTABLISHMENT; DUTIES.]

The commissioner shall establish an office of science and technology, which shall:

(1) provide assistance to the committee on science and technology research and development established in section 2;

(2) prepare and deliver to the legislature every January 15, a science and technology annual report that shall contain:

(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money;

(ii) guidelines that the legislature may use in allocating state grant or loan money for scientifically and technologically related research and development projects, to include assessments of emerging technologies and those technologies that provide significant promise for the development of job-creating businesses; and

(iii) an analysis of the efficacy and completeness of the decentralized research peer review processes mandated in section 2, subdivision 5, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota are in conformance with the guidelines established in item (ii), and whether or not the scientifically and technologically related research and development projects have or will result in creating scientifically and technologically related jobs;

(3) keep a current roster of technology intensive businesses in the state;

(4) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity capital;

(5) review the technological development potential of various regions of the state and cooperate with and make recommendations

to the legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of the development potential;

(6) sponsor and conduct conferences and studies, collect and disseminate information, and issue periodic reports relating to scientifically and technologically related research and development and education in the state, and represent the state at appropriate interstate and national conferences;

(7) take other action as assigned by the commissioner; and

(8) consult with and seek the advice of the committee on science and technology regarding items (2), (5) and (6).

Sec. 2. [116J.971] [COMMITTEE ON SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT.]

Subdivision 1. [MEMBERSHIP] The committee on science and technology research and development consists of:

(1) a chair appointed by the governor to a four-year term;

(2) eight members appointed by the governor to six-year terms, at least three of whom must reside outside the seven-county metropolitan area;

(3) one member appointed by the speaker of the house of representatives at the beginning of each biennium to a two-year term;

(4) one member appointed by the minority leader of the house of representatives at the beginning of each biennium to a two-year term;

(5) one member appointed by the majority leader of the senate at the beginning of each biennium to a two-year term; and

(6) one member appointed by the minority leader of the senate at the beginning of each biennium to a two-year term.

Subd. 2. [QUALIFICATIONS AND DUTIES OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT.] Members of the committee on science and technology research and development must be qualified in at least one of the five following areas: economic development, academic and applied research, the administration of research, the review of research processes, and the management and development of technology intensive companies. The committee shall:

(i) advise upon and approve by a majority vote the guidelines required by section 1, clause (2), item (ii);

(ii) advise the director of the office of science and technology on the preparation of the analysis required by section 1, clause (2), item (iii);

(iii) approve the assignment of ad hoc advisory committees on science and technology research and development as needed; and

(iv) review and comment upon, if the committee considers it to be necessary, the reports of the ad hoc advisory committees and forward the reports to the director of the office of science and technology.

Subd. 3. [AD HOC ADVISORY COMMITTEES.] To perform the acts required by section 1, clause (2), the committee on science and technology research and development may, from time to time, approve the creation and use of ad hoc advisory committees composed of 3 to 15 members each. Members of the committee on science and technology research and development may be ad hoc committee members, but members of the permanent committee may not be a majority of an ad hoc committee.

Subd. 4. [COMPENSATION.] Members of the committee on science and technology research and development and of the ad hoc advisory committees receive no compensation, but payment of their expenses is governed by section 15.059, subdivision 6.

Subd. 5. [PEER REVIEW PLANS.] A state agency, board, commission, authority, public corporation which receives a direct appropriation from the state, post-secondary educational institutions or institution that funds scientifically and technologically related research shall establish a peer review system to evaluate the research. The committee on science and technology research and development shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, public corporation which receives a direct appropriation from the state, post-secondary educational institutions, or institution that funds scientifically and technologically related research shall, at least biennially, present to the committee on science and technology research and development or to ad hoc committees, as determined by the committee on science and technology research and development, a review and evaluation of the peer review process used in that organization.

Subd. 6. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, commissioner, or director of the office of science and technology, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, or a

member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development, may request the committee on science and technology research and development to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and development to determine (1) whether it complies with the guidelines required by section 1, clause (2), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. Ad hoc committees may be appointed by the committee on science and technology research and development to perform these reviews.

Subd. 7. [AUTHORITY FOR REVIEW AND COMMENT UPON RESEARCH AND DEVELOPMENT PROGRAMS.] Each agency, board, commission, authority, public corporation which receives a direct appropriation from the state, post-secondary educational institutions, or institution receiving an appropriation for the funding of scientifically and technologically related research and development must notify the office of science and technology within 60 days of making a loan or grant for scientifically or technologically related research and development. The notice shall contain a summary of the nature of and significant objectives of the research and development project funded by a grant or loan. The notice must also include information on the size and timing of previous grants or loans and anticipated additional funding needs. The committee on science and technology research and development shall, at least once each biennium, review scientifically and technologically related research funded by a state agency, board, commission, authority, public corporation which receives a direct appropriation from the state, post-secondary educational institutions, or institution to assess whether or not the research and development is conducted in accordance with the guidelines required by section 1, clause (2), item (ii). The committee's assessment shall be sent to the legislature on or before January 15 of every odd-numbered year.

Subd. 8. [STAFF APPOINTMENTS.] The director of the office of science and technology shall appoint those staff members in the classified and unclassified services necessary to perform the functions of the science and technology division. The director shall appoint in the unclassified service an executive director of the committee on science and technology research and development, who shall report to the director. The executive director must hold a post-baccalaureate degree in scientific or technologically related studies, or demonstrate experience in technological policy formulation.

Sec. 3. [RESEARCH LINE ITEMS REQUIRED.]

The commissioner of finance shall establish budget line items that specifically identify funds used for scientifically and technologically related research and development.

Sec. 4. [INITIAL APPOINTMENTS.]

Notwithstanding section 2, subdivision 1, the governor shall make the following initial appointments: the first chair to serve from July 1, 1987, to January 1, 1990; three members to serve from July 1, 1987, to January 1, 1993; three members to serve from July 1, 1987, to January 1, 1991; and two members to serve from July 1, 1987, to January 1, 1989.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 116J.94, is repealed."

Delete the title and insert:

"A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating an office of science and technology within the department of energy and economic development; creating a committee on science and technology research and development and providing for its powers and duties; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 69, A bill for an act relating to natural resources; establishing a commercial fish raising program; amending Minnesota Statutes 1986, sections 97A.475, by adding a subdivision; 97C.211, subdivisions 1 and 2, and by adding a subdivision; and 97C.391; proposing coding for new law in Minnesota Statutes, chapters 17 and 97C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [17.50] [PROGRAM ESTABLISHMENT.]

The commissioner shall establish and promote a program for the commercial raising of fish in fish farms in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of energy and economic development, the director

of the state planning agency, representatives of private fish raising industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Sec. 2. Minnesota Statutes 1986, section 97A.475, is amended by adding a subdivision to read:

Subd. 29a. [FISH FARMS.] The fees for the following licenses to be issued to residents and nonresidents are:

(1) for a fish farm, \$250; and

(2) to take sucker eggs from public waters for a fish farm, \$150, plus \$3 for each quart in excess of 100 quarts.

Sec. 3. [97C.203] [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

(a) The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;

(2) sale of fish eggs and fry to private fish hatcheries to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing at a price not less than the fair market value, established as the average price charged at the state's private hatcheries; and

(3) sale at a price not less than the fair market value, established as the average price charged at the state's private hatcheries of fish eggs and fry to private fish hatcheries and fish farms to hatch fry or raise fingerlings for sale.

(b) Until July 1, 1990, the commissioner must make at least two percent of the game fish eggs collected available to private hatcheries.

Sec. 4. [97C.209] [FISH FARMS.]

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a fish farm without a fish farm license. A fish farm is a facility for commercially raising fish for sale to be commercially processed for human consumption. A fish farm licensee may operate a private hatchery without obtaining a private hatchery license.

Subd. 2. [ACQUISITION OF FISH.] (a) A person operating a fish farm may not obtain fish or fish eggs outside of the state unless

approved by the commissioner. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Subd. 3. [RULES FOR OPERATION.] The commissioner shall prescribe rules that allow a person to maintain and operate a fish farm to raise and dispose of fish. The commissioner shall prescribe and assess a fee to cover the cost of inspection and disease certification of fish farms.

Sec. 5. Minnesota Statutes 1986, section 97C.211, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery without a private fish hatchery license. A private fish hatchery is a facility for raising fish for sale for stocking waters or for angling.

Sec. 6. Minnesota Statutes 1986, section 97C.211, subdivision 2, is amended to read:

Subd. 2. [RULES FOR OPERATION.] The commissioner shall prescribe rules that allow a person to maintain and operate a private fish hatchery to raise and dispose of fish indigenous to state waters. The commissioner shall establish and assess a fee to cover the cost of inspection and disease certification of private hatcheries.

Sec. 7. Minnesota Statutes 1986, section 97C.211, is amended by adding a subdivision to read:

Subd. 2a. [ACQUISITION OF FISH.] (a) A private fish hatchery may not obtain fish outside of the state unless the fish are approved by the commissioner. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Sec. 8. Minnesota Statutes 1986, section 97C.391, is amended to read:

97C.391 [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

(1) minnows;

(2) rough fish excluding ciscoes;

(3) fish taken under licensed commercial fishing operations;

(4) fish raised in a fish farm that are identified as prescribed by the commissioner;

(4) (5) fish raised in a private hatchery that are tagged or labeled or otherwise identified as prescribed by the commissioner; and

(5) (6) fish lawfully taken and subject to sale from other states and countries.

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] Largemouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may not be bought or sold, unless bought or sold by a private hatchery or fish farm to stock waters for recreational fishing, or as prescribed by the commissioner."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 478, A bill for an act relating to insurance; requiring notification of group life or health coverage changes; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating trust funds; regulating the renewal, nonrenewal, and cancellation of commercial liability and property

insurance policies; authorizing employers to jointly self-insure for property or casualty liability and regulating these plans; providing continued group life coverage upon termination or layoff; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; regulating joint self-insurance employee health plans; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond or securities requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; providing for exemption from certain legal process of cash value, proceeds, or benefits under certain life insurance or annuity contracts; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; requiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy period; providing for the priority of security for payment of basic economic loss benefits; extending basic economic loss benefit protection; requiring coverages for former spouses; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; providing for mandatory arbitration of certain claims; establishing a demonstration project to provide medical insurance to certain low income persons; requiring the commissioner to set rates for cooperative housing and neighborhood real estate trust insurance; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; regulating certain self-insurance by political subdivisions; granting immunity from liability for volunteer coaches, managers, and officials; clarifying the statute of limitations applicable to actions regarding manufacturers or suppliers of material containing asbestos; modifying discounting of future damages; prescribing penalties; amending Minnesota Statutes 1986, sections 16A.133, subdivision 1; 45.024, subdivision 2; 60A.17, subdivisions 1a, 2c, 11, and 13; 60A.1701, subdivisions 7, and 8; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.29, subdivisions 2, 5, and 16, and by adding subdivisions; 60A.30; 60A.31; 60B.44, subdivisions 1, 4, 5, and 9; 60C.08, subdivision 1; 60C.09; 60C.12; 61A.28, subdivision 12; 61B.05, subdivision 1; 61B.09; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.152, subdivision 2; 62A.17; 62A.21; 62A.27; 62A.31, subdivision 1a; 62A.43, subdivision 2, and

by adding a subdivision; 62A.46, by adding a subdivision; 62A.48, subdivisions 1, 2, 6, and by adding a subdivision; 62A.50, subdivision 3; 62D.05, by adding a subdivision; 62D.102; 62E.06, subdivision 1; 62E.10, subdivision 2, and by adding subdivisions; 62E.14, by adding a subdivision; 62F.041, subdivision 2; 62F.06, subdivision 1; 62H.01; 62H.02; 62H.04; 62I.02, subdivisions 1, and 3, and by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.12, subdivision 1; 62I.13, by adding a subdivision; 62I.16, subdivision 3; 62I.22, subdivision 2, and by adding a subdivision; 64B.11, subdivision 4; 64B.18; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65A.39; 65B.03, subdivision 1; 65B.12; 65B.1311; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.49, by adding a subdivision; 65B.525, subdivision 1; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.06, by adding a subdivision; 70A.08, subdivision 3; 72A.20, subdivisions 11, 17, and by adding subdivisions; 72A.31, subdivision 1; 169.045, subdivision 1, and by adding a subdivision; 471.98, subdivision 2; 604.07, subdivisions 2, 3, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65A; 65B; 72A; 256B; 541; and 604; proposing coding for new law as Minnesota Statutes, chapter 60E; repealing Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3; and Minnesota Rules, parts 2700.2400 to 2700.2440.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [60A.084] [NOTIFICATION ON GROUP POLICIES.]

An employer providing life or health benefits to a group policyholder may not change benefits, limit coverage, or otherwise restrict participation until the certificate holder or enrollee has been notified of any changes, limitations, or restrictions. Notice in a format which meets the requirements of the Employee Retirement Income Security Act, 29 U.S.C.A. sections 1001 to 1461, shall be satisfactory for compliance within this section.

Sec. 2. Minnesota Statutes 1986, section 60A.17, subdivision 2c, is amended to read:

Subd. 2c. ~~[MANDATORY TEMPORARY LICENSES.]~~ The commissioner ~~shall~~ may grant a temporary insurance agent's license to a person who has submitted an application for a resident license which is accepted by the commissioner and who has successfully completed the examination, if any, required by the commissioner. The temporary license ~~shall~~ may be granted ~~no later than as of the date upon which the applicant receives written notice from the commissioner that the application for resident license has been accepted by the commissioner and that the person has passed any~~

required examination. A temporary license will permit the applicant to act as an insurance agent for the original appointing insurer for the class of business specified therein until the earlier of (a) receipt by the applicant of the resident license, or (b) the expiration of 90 days from the date on which the temporary license was granted.

Sec. 3. Minnesota Statutes 1986, section 60A.17, subdivision 11, is amended to read:

Subd. 11. [~~LIFE COMPANY AGENTS INSURER'S AGENT.~~] Any person who shall ~~solicit an application for~~ solicits insurance ~~upon the life of another shall, in any controversy between the assured or the assured's beneficiary and the company issuing any policy upon such application, be regarded as is the agent of the company insurer and not the agent of the assured insured.~~

Sec. 4. Minnesota Statutes 1986, section 60A.17, subdivision 13, is amended to read:

Subd. 13. [AGENTS; VARIABLE CONTRACTS.] (a) [LICENSE REQUIRED.] No person shall sell or offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner. ~~Prior to the taking of the examination, or upon reexamination, the applicant shall transmit to the commissioner, by money order or cashiers check payable to the state treasurer, an examination fee of \$10.~~

(b) [EXCEPTIONS.] (1) Any regularly salaried officer or employee of a licensed insurer may, without license or other qualification, act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any contract.

(2) Any person who, on July 1, 1969, holds a valid license authorizing the person to solicit and sell life insurance and annuity contracts and who also holds a valid license issued by the department of commerce authorizing the person to sell or offer for sale contracts on a variable basis shall be issued a license by the commissioner of commerce upon application therefor and payment of a \$2 fee, which license shall expire on May 31, 1970, unless renewed by an insurer as provided in paragraph (a).

(3) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a

variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, United States Code, title 15, section 80a-3(11).

(c) [RULES.] The commissioner may by rules waive or modify any of the foregoing requirements or prescribe additional requirements deemed necessary for the proper sale and solicitation of contracts on a variable basis.

Sec. 5. Minnesota Statutes 1986, section 60A.196, is amended to read:

60A.196 [DEFINITIONS.]

Unless the context otherwise requires, the following terms have the meanings given them for the purposes of sections 60A.195 to 60A.209:

(a) "Surplus lines insurance" means insurance placed with an insurer permitted to transact the business of insurance in this state only pursuant to sections 60A.195 to 60A.209.

(b) "Eligible surplus lines insurer" means an insurer recognized as eligible to write insurance business under sections 60A.195 to 60A.209 but not licensed by any other Minnesota law to transact the business of insurance.

(c) "Ineligible surplus lines insurer" means an insurer not recognized as an eligible surplus lines insurer pursuant to sections 60A.195 to 60A.209 and not licensed by any other Minnesota law to transact the business of insurance. "Ineligible surplus insurer" includes a risk retention group as defined under the Liability Risk Retention Act, Public Law Number 99-563.

(d) "Surplus lines licensee" or "licensee" means a person licensed under sections 60A.195 to 60A.209 to place insurance with an eligible or ineligible surplus lines insurer.

(e) "Association" means an association registered under section 60A.208.

(f) "Alien insurer" means any insurer which is incorporated or otherwise organized outside of the United States.

(g) "Insurance laws" means chapters 60 to 79 inclusive.

Sec. 6. Minnesota Statutes 1986, section 60A.197, is amended to read:

60A.197 [RATES AND FORMS.]

(a) Rates used by eligible and ineligible surplus lines insurers shall not be subject to the insurance laws except that a rate shall not be excessive, inadequate, or unfairly discriminatory and shall be subject to sections 70A.04, 70A.05, and 70A.11.

(b) Forms used by eligible and ineligible surplus lines insurers pursuant to sections 60A.195 to 60A.209 ~~shall not be~~ are subject to ~~the insurance laws, except that a section 70A.08, subdivision 3. If a rate service organization has not adopted a form for a particular type of insured, or if the commissioner has not restricted approval to the form adopted by the rate service organization, then forms used by surplus lines insurers are not subject to section 70A.08, subdivision 3. No policy shall not may contain language which misrepresents the true nature of the policy or class of policies. Except as otherwise required in this section, forms used by surplus lines insurers under sections 60A.195 to 60A.209 are not subject to the insurance laws.~~

Sec. 7. Minnesota Statutes 1986, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as a ~~resident~~ an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining a ~~resident agent~~ an agent's license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner

a tax on premiums equal to three percent of the total written premiums less cancellations; and

(e) annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (11).

Sec. 8. [60A.2095] [CONSTRUCTION.]

Nothing in sections 60A.195 to 60A.209 shall be construed to permit the state to impose requirements beyond those granted by the Liability Risk Retention Act, Public Law Number 99-563.

Sec. 9. Minnesota Statutes 1986, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS; WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; or (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage

for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is \$100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30.

(5) [RULE MAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules, including emergency rules, pursuant to sections 14.01 to 14.70 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or

(d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 10. Minnesota Statutes 1986, section 60A.30, is amended to read:

60A.30 [RENEWAL OF INSURANCE POLICY WITH ALTERED RATES.]

If an insurance company licensed to do business in this state offers or purports to offer to renew any commercial liability and/or property insurance policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date of the policy if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least ~~30~~ 60 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the ~~30-day~~ 60-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata upon the prior rate. This subdivision does not apply to ocean marine insurance, accident and health insurance, and reinsurance.

This section does not apply if the change relates to guide "a" rates or excess rates also known as "consent to rates."

Sec. 11. [60A.35] [SCOPE.]

Except as specifically limited in section 60A.30, sections 11 to 14 apply to all commercial liability and/or property insurance policies issued by companies licensed to do business in this state except ocean marine insurance, accident and health insurance, excess insurance, surplus lines insurance, and reinsurance.

Sec. 12. [60A.36] [MIDTERM CANCELLATION.]

Subdivision 1. [REASON FOR CANCELLATION.] No insurer may cancel a policy of commercial liability and/or property insurance during the term of the policy, except for one or more of the following reasons:

(1) nonpayment of premium;

(2) misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim under the policy;

(3) actions by the insured that have substantially increased or substantially changed the risk insured;

(4) refusal of the insured to eliminate known conditions that increase the potential for loss after notification by the insurer that the condition must be removed;

(5) substantial change in the risk assumed, except to the extent that the insurer should reasonably have foreseen the change or contemplated the risk in writing the contract;

(6) loss of reinsurance by the insurer which provided coverage to the insurer for a significant amount of the underlying risk insured. A notice of cancellation under this clause shall advise the policyholder that the policyholder has ten days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within five business days after receipt of the appeal;

(7) a determination by the commissioner that the continuation of the policy could place the insurer in violation of the insurance laws of this state; or

(8) nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance. This provision for cancellation for failure to pay dues does not apply to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

Subd. 2. [NOTICE.] Cancellation under subdivision 1, clauses (2) to (8), shall not be effective before 60 days after notice to the policyholder. The notice of cancellation shall contain a specific reason for cancellation as provided in subdivision 1.

A policy shall not be canceled for nonpayment of premium pursuant to subdivision 1, clause (1) unless the insurer, at least ten days before the effective cancellation date, has given notice to the policyholder of the amount of premium due and the due date. The notice shall state the effect of nonpayment by the due date. No cancellation for nonpayment of premium shall be effective if payment of the amount due is made before the effective date in the notice.

Subd. 3. [NEW POLICIES.] Subdivisions 1 and 2 do not apply to any insurance policy that has not been previously renewed if the policy has been in effect less than 90 days at the time the notice of cancellation is mailed or delivered. No cancellation under this subdivision is effective until at least ten days after the written notice to the policyholder.

Subd. 4. [LONGER TERM POLICIES.] A policy may be issued for a term longer than one year or for an indefinite term with a clause

providing for cancellation by the insurer for the reasons stated in subdivision 1 by giving notice as required by subdivision 2 at least 60 days before any anniversary date.

Sec. 13. [60A.37] [NONRENEWAL.]

Subdivision 1. [NOTICE REQUIRED.] At least 60 days before the date of expiration provided in the policy, a notice of intention not to renew the policy beyond the agreed expiration date must be made to the policyholder by the insurer. If the notice is not given at least 60 days before the date of expiration provided in the policy, the policy shall continue in force until 60 days after a notice of intent not to renew is received by the policyholder.

Subd. 2. [EXCEPTIONS.] This section does not apply if the policyholder has insured elsewhere, has accepted replacement coverage, or has requested or agreed to nonrenewal.

Sec. 14. [60A.38] [INTERPRETATION AND PENALTIES.]

Subdivision 1. [SECTIONS NOT EXCLUSIVE.] Sections 11 to 14 are not exclusive, and the commissioner may also consider other provisions of Minnesota law to be applicable to the circumstances or situations addressed by sections 11 to 14. The rights provided by sections 11 to 14 are in addition to and do not prejudice any other rights the policyholder may have at common law, under statute, or rules.

Subd. 2. [PENALTIES.] A violation of any provisions of sections 11 to 14 shall be deemed to be an unfair trade practice in the business of insurance and shall subject the violator to the penalties provided by sections 72A.17 to 72A.32 in addition to any other penalty provided by law.

Subd. 3. [NOTICES REQUIRED.] All notices required by sections 11 to 14 shall only be made by first class mail addressed to the policyholder's last known address or by delivery to the policyholder's last known address. Notice by first class mail is effective upon deposit in the United States mail. In addition to giving notice to the policyholder, the insurer must also give notice to the agent of record, if any, in the manner specified for the policyholder.

Sec. 15. Minnesota Statutes 1986, section 60B.44, subdivision 1, is amended to read:

Subdivision 1. [DEDUCTIBLE PROVISION.] The distribution of claims from the insurer's estate shall be in the order stated in this section with a descending degree of preference for each subdivision. The first \$50 of the amount allowed on each claim in the classes under subdivisions 3 to 7 shall be deducted from the claim and

included in the class under subdivision 9. Claims may not be cumulated by assignment to avoid application of the \$50 deductible provision. Subject to the \$50 deductible provision, Every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class.

Sec. 16. Minnesota Statutes 1986, section 60B.44, subdivision 4, is amended to read:

Subd. 4. [LOSS CLAIMS; INCLUDING CLAIMS NOT COVERED BY A GUARANTY ASSOCIATION.] All claims under policies or contracts of coverage for losses incurred including third party claims, and all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which are not under policies or contracts, except the first \$200 of losses otherwise payable to any claimant under this subdivision. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. Claims may not be cumulated by assignment to avoid application of the \$200 deductible provision. That portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to an employee shall be treated as a gratuity. Claims not covered by a guaranty association are loss claims. If any portion of a claim is covered by a reinsurance treaty or similar contractual obligation, that claim shall be entitled to a pro rata share, based upon the relationship the claim amount bears to all claims payable under the treaty or contract, of the proceeds received under that treaty or contractual obligation.

Claims receiving pro rata payments shall not, as to any remaining unpaid portion of their claim, be treated in a different manner than if no such payment had been received.

Sec. 17. Minnesota Statutes 1986, section 60B.44, subdivision 5, is amended to read:

Subd. 5. [UNEARNED PREMIUMS AND SMALL LOSS CLAIMS.] Claims under nonassessable policies or contracts of coverage for unearned premiums or subscription rates or other refunds and the first \$200 of loss excepted by the deductible provision in subdivision 4.

Sec. 18. Minnesota Statutes 1986, section 60B.44, subdivision 9, is amended to read:

Subd. 9. [MISCELLANEOUS SUBORDINATED CLAIMS.] The remaining claims or portions of claims not already paid, with interest as in subdivision 8.

(a) The first \$50 of each claim in the classes under subdivisions 3 to 7 subordinated under this section;

(b) Claims under section 60B.39, subdivision 2;

(c) Claims subordinated by section 60B.61;

(d) Except to the extent excused or otherwise permitted pursuant to section 60B.37, claims filed late;

(e) Portions of claims subordinated under subdivision 6; and

(f) Claims or portions of claims payment of which is provided by other benefits or advantages recovered or recoverable by the claimant.

Sec. 19. Minnesota Statutes 1986, section 60C.09, is amended to read:

60C.09 [COVERED CLAIMS.]

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a) (1) Arises out of and is within the coverage of an insurance policy issued by a member insurer if the insurer becomes an insolvent insurer after April 30, 1979; or

(2) Would be within the coverage of an extended reporting endorsement to a claims-made insurance policy if insolvency had not prevented the member insurer from fulfilling its obligation to issue the endorsement, if:

(i) the claims-made policy contained a provision affording the insured the right to purchase a reporting endorsement;

(ii) coverage will be no greater than if a reporting endorsement had been issued;

(iii) the insured has not purchased other insurance which applies to the claim; and

(iv) the insured's deductible under the policy is increased by an amount equal to the premium for the reporting endorsement as provided in the insured's claims-made policy, or if not so provided, then as established by a rate service organization.

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, chapter 145 by section 60C.02; and

(c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when injured was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

For purposes of paragraph (c), item (i), unit owners of condominiums, townhouses, or cooperatives are considered as having an insurable interest.

A covered claim also includes any unpaid claim which arises or exists within 30 days after the time of entry of an order of liquidation with a finding of insolvency by a court of competent jurisdiction unless prior thereto the insured replaces the policy or causes its cancellation or the policy expires on its expiration date.

Subd. 2. [LIMITATION OF AMOUNT.] Payment of a covered claim, except a claim for unearned premium by any single claimant, whether upon a single policy or multiple policies of insurance, is limited to the amount by which the allowance on any claim exceeds \$100 and is less than \$300,000. In the case of claim for unearned premium, the entire claim up to \$300,000 shall be allowed. The limitation on the amount of payment for a covered claim does not apply to claims for workers' compensation insurance. In no event is the association obligated to the policyholder or claimant in an amount in excess of the obligation of the insurer under the policy from which the claim arises.

Sec. 20. Minnesota Statutes 1986, section 61A.09, subdivision 1, is amended to read:

Subdivision 1. No group life insurance policy shall be issued for delivery in this state until the form thereof and the form of any certificates issued thereunder have been filed in accordance with and subject to the provisions of section 61A.02. Each person insured under such a group life insurance policy (excepting policies which insure the lives of debtors of a creditor or vendor to secure payment of indebtedness) shall be furnished a certificate of insurance issued by the insurer and containing the following:

- (a) Name and location of the insurance company;
- (b) A statement as to the insurance protection to which the certificate holder is entitled, including any changes in such protection depending on the age of the person whose life is insured;
- (c) Any and all provisions regarding the termination or reduction of the certificate holder's insurance protection;
- (d) A statement that the master group policy may be examined at a reasonably accessible place;
- (e) The maximum rate of contribution to be paid by the certificate holder;
- (f) Beneficiary and method required to change such beneficiary;
- (g) In the case of a group term insurance policy if the policy provides that insurance of the certificate holder will terminate, in case of a policy issued to an employer, by reason of termination of the certificate holder's employment; or in case of a policy issued to an organization of which the certificate holder is a member, by reason of termination of membership; a provision to the effect that in case of termination of employment or membership the certificate holder shall be entitled to have issued by the insurer, without evidence of insurability, upon application made to the insurer within 31 days after termination of employment or membership, and upon payment of the premium applicable to the class of risk to which that person belongs and to the form and amount of the policy at that person's then attained age, a policy of life insurance only, in any one of the forms customarily issued by the insurer except term insurance, in an amount equal to the amount of the life insurance protection under such group insurance policy at the time of such termination; and shall contain a further provision to the effect that upon the death of the certificate holder during such 31-day period and before any such individual policy has become effective, the amount of insurance for which the certificate holder was entitled to make application shall be payable as a death benefit by the insurer. If a group term life insurance contract provides that an employee or member of an organization loses coverage under the contract as a result of termination of employment or membership, the contract shall provide that the employee or member has the right to purchase a term

insurance policy from the insurer with the same amount of coverage, the premium for which shall not, during the first 18 months of coverage, exceed 102 percent of cost for that amount of coverage under the group term life insurance contract. The terminated employee or member shall be eligible without evidence of insurability. The terminated employee or member shall be notified of the rights under this section by the employer or organization and shall have 31 days from the date of notification to exercise the right of conversion. If the terminated employee or member dies before the expiration of the 31-day period, the benefits payable under the group contract shall still be payable. For the purposes of this clause, "termination" includes voluntary or involuntary termination, layoff and a reduction in hours to the point where the employee is no longer eligible for group life insurance benefits.

Sec. 21. Minnesota Statutes 1986, section 62A.01, is amended to read:

62A.01 [POLICY OF ACCIDENT AND SICKNESS INSURANCE DEFINED.]

The term "policy of accident and sickness insurance" as used herein includes any policy covering the kind of insurance described in section 60A.06, subdivision 1, clause (5)(a).

For the purpose of chapters 62A and 62E the term "policy" also includes certificates of insurance or similar evidence of insurance coverage issued to a Minnesota resident.

This section supersedes any inconsistent provision of chapters 62A and 62E.

Sec. 22. Minnesota Statutes 1986, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] No such policy or certificate shall be issued, nor shall any application, rider, or endorsement be used in connection therewith, until the expiration of 60 days after it has been so filed unless the commissioner shall sooner give written approval thereto.

Sec. 23. Minnesota Statutes 1986, section 62A.041, is amended to read:

62A.041 [MATERNITY BENEFITS; UNMARRIED WOMEN.]

Each group policy of accident and health insurance and each group health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents that it provides to married women including the wives of

employees choosing dependent family coverage. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each group policy and each group contract shall provide the same coverage for that child as that provided for the child of a married employee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Each individual policy of accident and health insurance and each individual health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents as that provided for married women. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each individual policy and each individual contract shall also provide the same coverage for that child as that provided for the child of a married insured or a married enrollee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Each group subscriber contract of accident and health insurance or health maintenance contract, issued or renewed after August 1, 1987, shall include maternity benefits in the same manner as any other illness covered under the policy or contract.

For the purposes of this section, the term "maternity benefits" shall not include elective, induced abortion whether performed in a hospital, other abortion facility, or the office of a physician.

This section applies to policies and contracts issued, delivered, or renewed after August 1, 1985, that cover Minnesota residents.

Sec. 24. Minnesota Statutes 1986, section 62A.043, is amended by adding a subdivision to read:

Subd. 3. No policy or certificate of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C, or health maintenance organization regulated under chapter 62D, shall be issued, renewed, continued, delivered, issued for delivery, or executed in this state after August 1, 1987, unless the policy, plan, or contract specifically provides coverage for surgical and nonsurgical treatment of temporomandibular joint disorder and craniomandibular disorder. Coverage shall be the same as that for treatment to any other joint in the body, and shall apply if the treatment is administered or prescribed by a physician or dentist.

Sec. 25. Minnesota Statutes 1986, section 62A.141, is amended to read:

62A.141 [COVERAGE FOR HANDICAPPED DEPENDENTS.]

No group policy or plan of health and accident insurance regulated under this chapter, chapter 62C, or 62D, which provides for dependent coverage may be issued or renewed in this state after August 1, 1983, unless it covers the handicapped dependents of the insured, subscriber, or enrollee of the policy or plan. Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approval concerning handicapped dependents.

If ordered by the commissioner of commerce, the insurer of a Minnesota-domiciled nonprofit association which is composed solely of agricultural members may restrict coverage under this section to apply only to Minnesota residents.

Sec. 26. Minnesota Statutes 1986, section 62A.146, is amended to read:

62A.146 [CONTINUATION OF BENEFITS TO SURVIVORS.]

No policy or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall, except upon the written consent of the survivor or survivors of the deceased insured, subscriber or enrollee, terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy or plan to the survivor or survivors until the earlier of the following dates:

(a) the date of remarriage of the surviving spouse becomes covered under another group health plan; or

(b) the date coverage would have terminated under the policy or plan had the insured, subscriber, or enrollee lived.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection on a monthly basis. In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly-situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee. Failure of the survivor to make premium or fee payments within 90 days after notice of the requirement to pay the premiums or fees shall be a basis for the termination of the coverage without written consent. In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. If the

coverage is provided under a group policy or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policyholder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

Sec. 27. Minnesota Statutes 1986, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage, ~~to~~ on the same basis as coverage for other benefits for at least the extent of 80 percent of the first \$750 of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious and persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, or (3) a licensed consulting psychologist licensed under the provisions of sections 148.87 to 148.98, or a psychiatrist licensed under chapter 147. Prior authorization from an accident and health insurance company, or a nonprofit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may not exceed a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a provider listed above in clause (1), (2) or (3).

Sec. 28. Minnesota Statutes 1986, section 62A.17, is amended to read:

62A.17 [TERMINATION OF OR LAYOFF FROM EMPLOYMENT.]

Subdivision 1. [CONTINUATION OF COVERAGE.] Every group insurance policy, group subscriber contract, and health care plan included within the provisions of section 62A.16, except policies, contracts, or health care plans covering employees of an agency of the federal government, shall contain a provision which permits every eligible covered employee who is voluntarily or involuntarily

terminated or laid off from employment, if the policy, contract, or health care plan remains in force for active employees of the employer, to elect to continue the coverage for the employee and dependents.

An employee shall be considered to be laid off from employment if there is a reduction in hours to the point where the employee is no longer eligible under the policy, contract or health care plan. Termination shall not include discharge for gross misconduct.

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every eligible covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. If the policy, contract, or health care plan is administered by a trust, every eligible covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly-situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until reemployed and eligible for health care coverage under a group policy, contract, or plan sponsored by the same or another employer the employee becomes covered under another group health plan, or for a period of 12 18 months after the termination of or lay off from employment, whichever is shorter.

Subd. 3. [ELIGIBILITY FOR CONTINUED COVERAGE.] An employee shall be eligible to make the election for the employee and dependents provided for in subdivision 1 if:

(a) In the period preceding the termination of or lay off from employment, the employee and dependents were covered through employment by a group insurance policy, subscriber's contract, or health care plan included within the provisions of section 62A.16;

(b) The termination of or lay off from employment was for reasons other than the discontinuance of the business, bankruptcy, or the employee's disability or retirement.

Subd. 4. [RESPONSIBILITY OF EMPLOYER.] After timely receipt of the monthly payment from an eligible a covered employee, if the employer, or the trustee, if the policy, contract, or health care plan is administered by a trust, fails to make the payment to the insurer, nonprofit health service plan corporation, or health maintenance organization, with the result that the employee's coverage is terminated, the employer or trust shall become liable for the employee's coverage to the same extent as the insurer, nonprofit health service plan corporation, or health maintenance organization would be if the coverage were still in effect.

In the case of a policy, contract or plan administered by a trust, the employer must notify the trustee within 30 days of the termination or layoff of a covered employee of the name and last known address of the employee.

If the employer or trust fails to notify a covered employee, the employer or trust shall continue to remain liable for the employee's coverage to the same extent as the insurer would be if the coverage were still in effect.

Subd. 5. [NOTICE OF OPTIONS.] Upon the termination of or lay off from employment of an eligible employee, the employer shall inform the employee within ten days after termination or lay off of:

(a) the right to elect to continue the coverage;

(b) the amount the employee must pay monthly to the employer to retain the coverage;

(c) the manner in which and the office of the employer to which the payment to the employer must be made; and

(d) the time by which the payments to the employer must be made to retain coverage.

If the policy, contract, or health care plan is administered by a trust, the employer is relieved of the obligation imposed by clauses (a) to (d). The trust shall inform the employee of the information required by clauses (a) to (d).

The employee shall have 60 days within which to elect coverage. The 60-day period shall begin to run on the date plan coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice may must be in writing and sent by first class mail to the employee's last known address which the employee has provided the employer or trust. If the employer or trust fails to so notify the employee who is properly enrolled in the program, the employee shall have the option to retain coverage if the employee makes this election within 60 days of the date terminated or laid off by making the proper payment to the employer or trust to provide continuous coverage.

A notice in substantially the following form shall be sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group medical insurance for a period of up to 12 18 months. To do so you must notify your former employer within ten 60 days of your receipt of this notice that you intend to retain this

coverage and must make a monthly payment of \$..... to at by the of each month."

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 if an arrangement with an insurer can reasonably be made by the health maintenance organization. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the covered option of the individual as long as the individual is not under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 29. [62A.20] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every policy of accident and health insurance providing coverage of hospital or medical expense on either an expense-incurred basis or other than an expense-incurred basis, which in addition to covering the insured also provides coverage to the spouse and dependent children of the insured shall contain:

(1) a provision which permits the spouse and dependent children to elect to continue coverage when the insured becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and

(2) a provision which permits the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the policy;

(2) 36 months after continuation by the spouse or dependent was elected; or

(3) the spouse or dependent children become covered under another group health plan.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly-situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 30. Minnesota Statutes 1986, section 62A.21, is amended to read:

62A.21 [CONVERSION PRIVILEGES FOR INSURED FORMER SPOUSES AND CHILDREN.]

Subdivision 1. No policy of accident and health insurance providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis, which in addition to covering the insured also provides coverage to the spouse of the insured shall contain a provision for termination of coverage

for a spouse covered under the policy solely as a result of a break in the marital relationship ~~except by reason of an entry of a valid decree of dissolution of marriage.~~

Subd. 2a. [CONTINUATION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision which permits continuation of coverage under the policy for the insured's former spouse and dependent children upon entry of a valid decree of dissolution of marriage, ~~if the decree requires the insured to provide continued coverage for those persons.~~ The coverage ~~may~~ shall be continued until the earlier of the following dates:

(a) The date of ~~remarriage of either the insured or the insured's former spouse~~ becomes covered under any other group health plan; or

(b) The date coverage would otherwise terminate under the policy.

If the coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly-situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Subd. 2b. [CONVERSION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or section sections 62A.146 and 62A.20, ~~or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the insured to provide continued coverage for the former spouse and dependent children,~~ conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. A policy providing reduced benefits at a reduced premium rate may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual policy shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under Title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the former

spouse's original age at entry, and shall apply equally to all similar policies issued by the insurer.

Subd. 3. Subdivision 1 applies to every policy of accident and health insurance which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2a and 2b apply to every policy of accident and health insurance which is delivered, issued for delivery, renewed, or amended on or after August 1, 1981.

Sec. 31. Minnesota Statutes 1986, section 62A.27, is amended to read:

62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

No individual or group policy or plan of health and accident insurance regulated under this chapter or chapter 64B, subscriber contract regulated under chapter 62C, or health maintenance contract regulated under chapter 62D, providing coverage for more than one person may be issued or renewed in this state after August 1, 1983, unless the policy, plan, or contract covers adopted children of the insured, subscriber, or enrollee on the same basis as other dependents. Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approval concerning adopted children.

The coverage required by this section is effective from the date of placement for the purpose of adoption and continues unless the placement is disrupted prior to legal adoption and the child is removed from placement.

Sec. 32. [62A.28] [SURETY BOND OR SECURITY FOR CERTAIN HEALTH BENEFIT PLANS.]

Subdivision 1. [SURETY BOND OR SECURITY REQUIREMENT.] Any employer, except the state and its political subdivisions as defined in section 65B.43, subdivision 20, who provides a health benefit plan to its Minnesota employees, which is to some extent self-insured by the employer, and who purchases stop-loss insurance coverage, or any other insurance coverage, in connection with the health benefit plan, shall annually file with the commissioner, within 60 days of the end of the employer's fiscal year, security acceptable to the commissioner in an amount specified under subdivision 2, or a surety bond in the form and amount prescribed by subdivisions 2 and 3. An acceptable surety bond is one issued by a corporate surety authorized by the commissioner to transact this business in the state of Minnesota for the purposes of this section. The term "Minnesota employees" includes any Minnesota resident who is employed by the employer.

Subd. 2. [AMOUNT OF SURETY OR SECURITY BOND.] The amount of surety bond or acceptable security required by subdivision 1 shall be equal to one-third of the projected annual medical and hospital expenses to be incurred by the employer or \$1,000, whichever is greater, with respect to its Minnesota employees by reason of the portion of the employer's health benefit plan which is self-insured by the employer. The projection shall be prepared by an actuary who is a member of the American Academy of Actuaries.

Subd. 3. [FORM OF THE SURETY BOND.] The surety bond shall provide as follows:

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS: That (entity to be bonded), of (location), (hereinafter called the "principal"), as principal, and (bonding company name), a (name of state) corporation, of (location) (hereinafter called the "surety"), as surety are held and firmly bound unto the commissioner of commerce of the state of Minnesota for the use and benefit of Minnesota residents entitled to health benefits from the principal in the sum of (\$.....), for the payment of which well and truly to be made, the principal binds itself, its successor and assigns, and the surety binds itself and its successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with section (.....) of the Minnesota Statute principal is required to file a surety bond with the commissioner of commerce of the state of Minnesota.

NOW, THEREFORE, the condition of this obligation is such that if the said principal shall, according to the terms, provisions, and limitations of principals' health benefit program for its Minnesota employees pay all of its liabilities and obligations, including all benefits as provided in the attached plan, then, this obligation shall be null and void, otherwise to remain in full force and effect, subject, however, to the following terms and conditions:

1. The liability of the surety is limited to the payment of the benefits of the employee benefit plan which are payable by the principal and within the amount of the bond. The surety shall be bound to payments owed by the principal for obligations arising from a default of the principal or any loss incurred during the period to which the bond applies.

2. In the event of any default on the part of the principal to abide by the terms and provisions of the attached plan, the commissioner of commerce may, upon ten days notice to the surety and opportunity to be heard, require the surety to pay all of the principal's past and

future obligations under the attached plan with respect to the principal's Minnesota employees.

3. Service on the surety shall be deemed to be service on the principals.

4. This bond shall be in effect from to, and may not be canceled by either the surety or the principal.

5. Any Minnesota employee of principal aggrieved by a default of principal under the attached plan, and/or the commissioner of commerce on behalf of any such employee, may enforce the provisions of this bond.

6. This bond shall become effective at (time of day, month, day, year).

IN TESTIMONY WHEREOF, said principals and said surety have caused this instrument to be signed by their respective, duly authorized officers and their corporate seals to be hereunto affixed this (day, month, year).

Signed, sealed and delivered in

the presence of:

Corporation Name

Bonding Company Name
By:

Subd. 4. [PENALTY FOR FAILURE TO COMPLY.] The commissioner of revenue shall deny any business tax deduction to an employer for the employer's contribution to a health plan for the period which the employer fails to comply with this section. This section does not apply to trusts established under chapter 62H which have been approved by the commissioner.

Subd. 5. [PETITION TO REDUCE BOND OR SECURITY AMOUNT.] An employer subject to this section may petition the commissioner for, and the commissioner may grant, a reduction in the amount of the surety bond or security required.

Sec. 33. Minnesota Statutes 1986, section 62A.31, subdivision 1a, is amended to read:

Subd. 1a. [APPLICATION TO CERTAIN POLICIES.] The requirements of sections 62A.31 to 62A.44 shall not apply to disability income protection insurance policies, long-term care policies issued pursuant to sections 62A.46 to 62A.56, or group policies of accident and health insurance which do not purport to supplement medicare issued to any of the following groups:

(a) A policy issued to an employer or employers or to the trustee of a fund established by an employer where only employees or retirees, and dependents of employees or retirees, are eligible for coverage.

(b) A policy issued to a labor union or similar employee organization.

(c) A policy issued to an association, a trust or the trustee of a fund established, created or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum of 100 persons; shall have been organized and maintained in good faith for purposes other than that of obtaining insurance; shall have a constitution and bylaws which provide that (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members, (2) except for credit unions, the association or associations collect dues or solicit contributions from members, and (3) the members have voting privileges and representation on the governing board and committees, and (4) the members are not directly solicited, offered, or sold an insurance product that is available as an association benefit within the first 30 days of membership in the association.

Sec. 34. Minnesota Statutes 1986, section 62A.43, subdivision 2, is amended to read:

Subd. 2. [REFUNDS.] Notwithstanding the provisions of section 62A.38, an insurer which issues a medicare supplement plan to any person who has one plan then in effect, except as permitted in subdivision 1, shall, at the request of the insured, either refund the premiums or pay any claims on the policy, whichever is greater. Any refund of premium pursuant to this section or section 62A.38 shall be sent by the insurer directly to the insured within 15 days of the request by the insured.

Sec. 35. Minnesota Statutes 1986, section 62A.43, is amended by adding a subdivision to read:

Subd. 4. [OTHER POLICIES NOT PROHIBITED.] The prohibition in this section against the sale of duplicate medicare supplement coverage does not preclude the sale of insurance coverage, such as travel, accident, and sickness coverage, the effect or purpose of which is not to supplement medicare coverage. Notwithstanding this provision, if the commissioner determines that the coverage being sold is in fact medicare supplement insurance, the commissioner shall notify the insurer in writing of the determination. If the insurer does not thereafter comply with sections 62A.31 to 62A.44, the commissioner may, pursuant to chapter 14, revoke or suspend the insurer's authority to sell accident and health insurance in this state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 36. Minnesota Statutes 1986, section 62A.48, is amended by adding a subdivision to read:

Subd. 7. [EXISTING POLICIES.] Nothing in sections 62A.46 to 62A.56 prohibits the renewal of the following long-term health policies:

(1) any policies sold prior to August 1, 1986;

(2) policies sold prior to July 1, 1988, by associations exempted from sections 62A.31 to 62A.44 under section 62A.31, subdivision 1, paragraph (c); and

(3) policies sold outside the state of Minnesota to persons who at the time of sale were not residents of the state of Minnesota.

Sec. 37. Minnesota Statutes 1986, section 62D.102, is amended to read:

62D.102 [MINIMUM BENEFITS.]

In addition to minimum requirements established in other sections, all group health maintenance contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage for at least ten hours of treatment over a 12-month period with a copayment not to exceed the greater of \$10 or 20 percent of the applicable usual and customary charge for mental or nervous disorder consultation, diagnosis and treatment services delivered while the enrollee is not a bed patient in a hospital and at least 75 percent of the cost of the usual and customary charges for any additional hours of ambulatory mental health treatment during the same 12-month benefit period for serious and persistent mental or nervous disorders.

Prior authorization may be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may not exceed a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a health maintenance organization provider.

Sec. 38. Minnesota Statutes 1986, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this state, whether or not the policy is

issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) hospital services;
- (2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than ~~outpatient mental or dental~~, which are rendered by a physician or at the physician's direction;
- (3) drugs requiring a physician's prescription;
- (4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;
- (5) services of a home health agency if the services would qualify as reimbursable services under medicare;
- (6) use of radium or other radioactive materials;
- (7) oxygen;
- (8) anesthetics;
- (9) prostheses other than dental;
- (10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;
- (11) diagnostic X-rays and laboratory tests;
- (12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the

gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) services of a physical therapist; and

(14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; and

(15) services of an occupational therapist.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, medicare or any other governmental program except as otherwise provided by law;

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) Outpatient mental health coverage is subject to section 62A.152, subdivision 2.

Sec. 39. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 5. [TERMINATED EMPLOYEES.] An employee who is voluntarily or involuntarily terminated or laid off from employment and unable to exercise the option to continue coverage under section 62A.17 may enroll, within 60 days of termination or lay-off, with a waiver of the preexisting condition limitation set forth in subdivision 3 and a waiver of the evidence of rejection set forth in subdivision 1, paragraph (c).

Sec. 40. [62E.18] [HEALTH INSURANCE FOR RETIRED EMPLOYEES NOT ELIGIBLE FOR MEDICARE.]

A Minnesota resident who is age 65 or over and is not eligible for the health insurance benefits of the federal Medicare program is entitled to purchase the benefits of a qualified plan, one or two, offered by the Minnesota comprehensive health association without any of the limitations set forth in section 62E.14, subdivision 1, paragraph (c).

Sec. 41. Minnesota Statutes 1986, section 62F.041, subdivision 2, is amended to read:

Subd. 2. This section shall expire on June 30, 1987 1989.

Sec. 42. Minnesota Statutes 1986, section 62F.06, subdivision 1, is amended to read:

Subdivision 1. A policy issued by the association ~~shall provide for a continuous period of coverage beginning with its effective date and terminating automatically at 12:01 a.m. on September 1, 1988, or sooner as provided in sections 62F.01 to 62F.14~~ may not extend beyond a period of one year from the date on which the authorization under section 62F.04 ends. The policy shall be issued subject to the group retrospective rating plan and the stabilization reserve fund authorized by section 62F.09. The policy shall be written to apply to claims first made against the insured and reported to the association during the policy period. No policy form shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if the commissioner determines it is misleading or violates public policy.

Sec. 43. Minnesota Statutes 1986, section 62H.04, is amended to read:

62H.04 [COMPLIANCE WITH OTHER LAWS.]

A joint self-insurance plan is subject to the requirements of chapter chapters 62A, and 62E, and sections 72A.17 to 72A.32 unless otherwise specifically exempt. A joint self-insurance plan must not offer less than a number two qualified plan or its actuarial equivalent.

Sec. 44. Minnesota Statutes 1986, section 62I.02, is amended by adding a subdivision to read:

Subd. 4. The association shall have no liability for premium taxes under section 60A.15, or any other taxes or assessments imposed by the state.

Sec. 45. Minnesota Statutes 1986, section 62I.03, subdivision 5, is amended to read:

Subd. 5. [DEFICIT.] "Deficit" means, for a particular policy year and line or type of insurance, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

Sec. 46. Minnesota Statutes 1986, section 62I.04, is amended to read:

62I.04 [POLICY ISSUANCE.]

Any person or entity that is a resident of the state of Minnesota who has a current written notice of refusal to insure from an insurer

licensed to offer insurance in the state of Minnesota may make written application to the association for coverage. The applicable premium or required portion of it must be paid prior to coverage by the association.

The application shall be filed simultaneously with the association and the market assistance plan for the association.

The association is authorized to (1) issue or cause to be issued insurance policies to applicants subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to it, or appoint service companies to perform those functions; (3) assume reinsurance from its members; and (4) cede reinsurance.

Sec. 47. Minnesota Statutes 1986, section 62I.16, subdivision 3, is amended to read:

Subd. 3. [SUPERVISION.] All money paid into the fund shall be held in trust by the corporate trustee selected by the board of directors. The corporate trustee may invest the money held in trust subject to the approval of the board. All investment income shall be credited to the fund. All expenses of the administration of the fund shall be charged against the fund. The money held in trust shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders and any retrospective premium refunds payable to policyholders under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification of the amount due. If all money accruing to the fund is exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any stabilization reserve fund charges from a particular policy year and line or type of insurance not used to pay retrospective premiums must be returned to policyholders after all claims and expense obligations from that particular policy year and line or type of insurance are satisfied.

Sec. 48. Minnesota Statutes 1986, section 62I.22, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] The commissioner of commerce shall publish notice of the hearing in the State Register at least 30 days before the hearing date. The notice should be that used for rulemaking under chapter 14. Approval by the administrative law judge of the notice prior to publication is not required. The notice must contain a statement that anyone wishing to oppose activation beyond 180 days for any particular class, must file a petition to intervene with the administrative law judge at least ten days before the hearing date. If

no notice to intervene is filed for a class, then the class is activated beyond the 180-day period without further action.

Sec. 49. Minnesota Statutes 1986, section 62I.22, is amended by adding a subdivision to read:

Subd. 6. [CASE PRESENTATION.] The department of commerce, upon request by small businesses as defined by section 14.115, subdivision 1, shall assist small businesses in any specific class requesting continuation of coverage beyond the 180-day period, in coordinating the class and presenting the case in the contested hearing.

Sec. 50. Minnesota Statutes 1986, section 64B.11, subdivision 4, is amended to read:

Subd. 4. [FILING OF AMENDMENTS BY FOREIGN OR ALIEN SOCIETY.] Every foreign or alien society authorized to do business in this state shall file with the commissioner a duly certified copy of all amendments of, or additions to, its laws within 90 days after the enactment of same be subject to the requirements of section 72A.061, subdivision 2, as to amendments or additions to its bylaws.

Sec. 51. Minnesota Statutes 1986, section 64B.27, is amended to read:

64B.27 [ANNUAL LICENSE.]

Societies that are now authorized to transact business in this state may continue this business until the first day of June next succeeding August 1, 1985. The authority of the societies and all societies hereafter licensed, may thereafter be renewed annually, subject to section 60A.13, subdivisions 1, 5, 6, and 7. However, a license so issued shall continue in full force and effect until the new license is issued or specifically refused. ~~For each license or renewal the society shall pay the commissioner \$20.~~ A duly certified copy or duplicate of the license is prima facie evidence that the licensee is a fraternal benefit society within the meaning of this chapter.

Sec. 52. Minnesota Statutes 1986, section 65A.01, subdivision 3a, is amended to read:

Subd. 3a. [CANCELLATION.] (1) There shall be printed in the policy or an endorsement attached to the policy a printed form in the following words:

When this policy has been issued to cover buildings used for residential purposes other than a hotel or motel and has been in effect for at least ~~six months~~ 60 days, or if it has been renewed, this

policy shall not be canceled, except for one or more of the following reasons which shall be stated in the notice of cancellation:

- (a) Nonpayment of premium;
- (b) Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim thereunder;
- (c) An act or omission of the insured which materially increases the risk originally accepted;
- (d) Physical changes in the insured property which are not corrected or restored within a reasonable time after they occur and which result in the property becoming uninsurable; or
- (e) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance.

Provided, however, that this limitation on cancellation shall not apply to additional coverages in a divisible policy, other than a policy of fire and extended coverage insurance. If this company cancels the additional coverages, it may issue a new, separate fire policy at a premium calculated on a pro rata basis for the remaining period of the original policy.

(2) The provisions of clause (1)(e) shall not be included in the language of the policy or endorsement unless the payment of dues to an association or organization, other than an insurance association or organization, is a prerequisite to obtaining or continuing the insurance.

Sec. 53. Minnesota Statutes 1986, section 65A.03, subdivision 1, is amended to read:

65A.03 [BINDERS, TEMPORARY INSURANCE.]

Subdivision 1. [GENERALLY.] Binders or other contracts for temporary insurance may be made orally or in writing, and shall be deemed to include all the terms of such standard fire insurance policy and all such applicable endorsements as may be designated in such contract of temporary insurance; except that the ~~cancellation clause of such standard fire insurance policy and the clause specifying the hour of the day at which the insurance shall commence;~~ may be superseded by the express terms of such contract of temporary insurance.

Sec. 54. Minnesota Statutes 1986, section 65A.10, is amended to read:

65A.10 [LIMITATION.]

Nothing contained in sections 65A.08 and 65A.09 shall be construed to preclude insurance against the cost, in excess of actual cash value at the time any loss or damage occurs, of actually repairing, rebuilding or replacing the insured property. Where insurance covers the cost of replacing, rebuilding or repairing any loss or damaged property with equal or better kind of quality, the replacement, rebuilding or repair must be in accordance with the minimum code as required by state and/or local authorities.

Sec. 55. Minnesota Statutes 1986, section 65A.29, is amended by adding a subdivision to read:

Subd. 10. [RETURN OF UNEARNED PREMIUM.] Cancellation of a policy of homeowner's insurance pursuant to this section is not effective unless any unearned premium due the insured is returned to the insured with the notice of cancellation or is delivered or sent by mail to the insured so as to be received by the insured not later than the effective date of cancellation. If the premium has been forwarded by the insured's agent and debited to the agent's account with the company, upon cancellation the unearned premium shall be credited to the agent's account with the company.

Sec. 56. Minnesota Statutes 1986, section 65B.1311, is amended to read:

65B.1311 [COVERAGE FOR FORMER SPOUSE.]

Subdivision 1. [NEW POLICY ISSUED.] If the former spouse of a named insured under a policy of private passenger vehicle insurance applies within 60 days of entry of a valid decree of dissolution of the marriage and the former spouse was an insured driver under the policy for at least 12 months prior to entry of the decree, the insurer must issue a policy, upon payment of the appropriate premium, to the former spouse only on the basis of the driving record applicable to the former spouse and any person who is to be an insured, as defined in section 65B.43, under the policy to be issued, provided the person or persons to be insured meets the insurer's eligibility standards. An insurer must issue a policy of private passenger insurance to the former spouse of a named insured, within the provisions of subdivision 2 of this section, if the following conditions are met:

(1) the former spouse has been an insured driver under the former policy for at least the six months immediately preceding the entry of a valid decree of dissolution of marriage;

(2) the former spouse makes application for a policy before the end of the policy period or within 60 days after the entry of the decree of dissolution of marriage, whichever is later;

(3) the appropriate premium is paid; and

(4) the former spouse and any person or persons who is to be an insured, as defined in section 65B.43, meets the insurer's eligibility standards for renewal policies.

Subd. 2. [NAMED INSURED.] A named insured under a policy of private passenger vehicle insurance shall have the premium determined at the first and any subsequent renewals of the policy after entry of a valid decree of dissolution of the marriage of the named insured only on the basis of the driving record and rating classification applicable to the named insured and any person who is to be an insured, as defined in section 65B.43, under the policy to be renewed.

Sec. 57. Minnesota Statutes 1986, section 65B.15, subdivision 1, is amended to read:

Subdivision 1. No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. Nonpayment of premium; or
2. The policy was obtained through a material misrepresentation;
or
3. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or
4. The named insured failed to disclose fully motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or
5. The named insured failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk; or
6. The named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against the named insured, or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or
7. The named insured or any other operator who either resides in the same household, unless the other operator is identified by name in any other policy as an insured; or customarily operates an automobile insured under such policy:

(a) has, within the 36 months prior to the notice of cancellation, had that person's driver's license under suspension or revocation; or

(b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to that person's medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or

(c) has an accident record, conviction record (criminal or traffic), physical condition or mental condition, any one or all of which are such that the person's operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of cancellation, of any law, ordinance, or rule which justify a revocation of a driver's license.

8. The insured automobile is:

(1) so mechanically defective that its operation might endanger public safety; or

(2) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool shall not be considered use of an automobile for hire or compensation; or

(3) used in the business of transportation of flammables or explosives; or

(4) an authorized emergency vehicle; or

(5) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(6) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 58. Minnesota Statutes 1986, section 65B.16, is amended to read:

65B.16 [STATEMENT OF REASONS FOR CANCELLATION OR REDUCTION.]

No notice of cancellation or reduction in the limits of liability of coverage of an automobile insurance policy under section 65B.15 shall be effective unless the specific underwriting or other reason or reasons for such cancellation or reduction in the limits of liability of coverage are stated in such notice and the notice is mailed or delivered by the insurer to the named insured at least 30 days prior to the effective date of cancellation; provided, however, that when nonpayment of premium is the reason for cancellation or when the company is exercising its right to cancel insurance which has been in effect for less than 60 days at least ten days notice of cancellation, and the reasons for the cancellation, shall be given. Information regarding moving traffic violations or motor vehicle accidents must be specifically requested on the application in order for a company to use those incidents to exercise its right to cancel within the first 59 days of coverage. When nonpayment of premiums is the reason for cancellation, the reason must be given to the insured with the notice of cancellation; and if the company is exercising its right to cancel within the first 59 days of coverage and notice is given with less than ten days remaining in the 59-day period, the coverage must be extended, to expire ten days after notice was mailed.

Sec. 59. [65B.162] [NOTICE OF POSSIBLE CANCELLATION.]

A written notice shall be provided to all applicants for private passenger insurance, at the time the application is submitted, containing the following language in bold print: "THE INSURER MAY ELECT TO CANCEL COVERAGE AT ANY TIME DURING THE FIRST 59 DAYS FOLLOWING ISSUANCE OF THE COVERAGE FOR ANY REASON WHICH IS NOT SPECIFICALLY PROHIBITED BY STATUTE."

Sec. 60. Minnesota Statutes 1986, section 65B.21, subdivision 2, is amended to read:

Subd. 2. Upon receipt of a written objection pursuant to the provisions herein, the commissioner shall may notify the insurer of receipt of such objection and of the right of the insurer to file a written response thereto within ten days of receipt of such notification. The commissioner may also order an investigation of the objection or complaint, the submission of additional information by the insured or the insurer about the action by the insurer or the objections of the insured, or such other procedure as the commissioner deems appropriate or necessary. Within 23 days of receipt of such written objection by an insured the commissioner shall approve or disapprove the insurer's action and shall notify the insured and

insurer of the final decision. Either party may institute proceedings for judicial review of the commissioner's decision; provided, however, that the commissioner's final decision shall be binding pending judicial review.

Sec. 61. [65B.30] [COLLISION DAMAGE WAIVER FEE.]

Subdivision 1. [DEFINITIONS.] (a) The "assigned risk blended rate" is an average of the assigned risk plan collision rates of all classifications except those for drivers under age 21, for the Minneapolis territory, the highest rated territory in the state, and the lowest rated territory in the state divided by 365.

(b) A "collision damage waiver" is a discharge of the responsibility of the renter or leasee to return the motor vehicle in the same condition as when rented.

Subd. 2. [LIMITATION.] When a motor vehicle is rented or leased in the state of Minnesota, if coverage for a collision damage waiver is provided, the fee charged for any days coverage shall be no greater than the assigned risk blended rate.

Sec. 62. Minnesota Statutes 1986, section 65B.46, is amended to read:

65B.46 [RIGHT TO BENEFITS.]

Subdivision 1. If the accident causing injury occurs in this state, every person suffering loss from injury arising out of maintenance or use of a motor vehicle or as a result of being struck as a pedestrian by a motorcycle has a right to basic economic loss benefits.

Subd. 2. If the accident causing injury occurs outside this state in the United States, United States possessions, or Canada, the following persons and their surviving dependents suffering loss from injury arising out of maintenance or use of a motor vehicle or as a result of being struck as a pedestrian by a motorcycle have a right to basic economic loss benefits:

(1) Insureds, and

(2) the driver and other occupants of a secured vehicle, other than (a) a vehicle which is regularly used in the course of the business of transporting persons or property and which is one of five or more vehicles under common ownership, or (b) a vehicle owned by a government other than this state, its political subdivisions, municipal corporations, or public agencies. The reparation obligor may, if the policy expressly states, extend the basic economic loss benefits to any stated area beyond the limits of the United States, United States possessions and Canada.

Subd. 3. For the purposes of sections 65B.41 to 65B.71, injuries suffered by a person while on, mounting or alighting from a motorcycle do not arise out of the maintenance or use of a motor vehicle although a motor vehicle is involved in the accident causing the injury.

Sec. 63. Minnesota Statutes 1986, section 65B.47, subdivision 1, is amended to read:

Subdivision 1. In case of injury to the driver or other occupant of a motor vehicle other than a commuter van, or other than a vehicle being used to transport children to school or to a school sponsored activity or other bus or taxicab while it is in operation within the state of Minnesota as to any Minnesota resident who is an insured as defined in section 65B.43, subdivision 5, if the accident causing the injury occurs while the vehicle is being used in the business of transporting persons or property, the security for payment of basic economic loss benefits is the security covering the vehicle or, if none, the security under which the injured person is an insured.

Sec. 64. Minnesota Statutes 1986, section 67A.05, subdivision 2, is amended to read:

Subd. 2. [FILING OF BYLAWS AND AMENDMENTS THERETO.] Every township mutual fire insurance company doing business within this state shall cause a copy of its bylaws to be certified to by its president and its secretary and file the same with the commissioner and thereafter every amendment to the bylaws of any township mutual fire insurance company, duly certified to by its president and its secretary, shall within a reasonable time after its adoption be filed in the office of the commissioner be subject to the requirements of section 72A.061, subdivision 2, as to amendments or additions to its bylaws.

Sec. 65. Minnesota Statutes 1986, section 67A.06, is amended to read:

67A.06 [POWERS OF CORPORATION.]

Every corporation formed under the provisions of sections 67A.01 to 67A.26, shall have power:

- (1) To have succession by its corporate name for the time stated in its certificate of incorporation;
- (2) To sue and be sued in any court;
- (3) To have and use a common seal and alter the same at pleasure;

(4) To acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purpose of its organization, subject to such limitations as may be imposed by law or by its articles of incorporation;

(5) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, fix their compensation, and define their powers and duties;

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

(7) To wind up and liquidate its business in the manner provided by chapter 60B; and

(8) To indemnify certain persons against expenses and liabilities as provided in section 300.082 300.083. In applying section 300.082 300.083 for this purpose, the term "members" shall be substituted for the terms "shareholders" and "stockholders."

Sec. 66. Minnesota Statutes 1986, section 67A.231, is amended to read:

67A.231 [DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.]

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Loans upon improved and unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by property insurance policies payable to and held by the security holder;

(e) Real estate, including land, buildings and fixtures, located in this state and used primarily as home office space for the insurance company;

(f) Demand or time deposits or savings accounts in federally insured depositories located in this state to the extent that the deposit or investment is insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation, or the National Credit Union Administration;

(g) Guarantee fund certificates of a mutual insurer which reinsures the business of the township mutual insurance company. The commissioner may by rule limit the amount of guarantee fund certificates which the township mutual insurance company may purchase and this limit may be a function of the size of the township mutual insurance company;

(h) Up to \$1,500 in stock of an insurer which issues directors and officers liability insurance to township mutual insurance company directors and officers.

Sec. 67. Minnesota Statutes 1986, section 70A.06, is amended by adding a subdivision to read:

Subdivision 1a. Whenever an insurer files a change in a rate that will result in a 25 percent or more increase in a 12-month period over existing rates, the commissioner may hold a hearing to determine if the change is excessive. The hearing must be conducted under chapter 14. It shall be the responsibility of the insurer to show the rate is not excessive. The rate is effective unless it is determined within 60 days as a result of the hearing that the rate is excessive.

Sec. 68. Minnesota Statutes 1986, section 70A.08, subdivision 3, is amended to read:

Subd. 3. Until January 1, 1988, The commissioner may restrict approval on claims-made policies to forms filed by a rate service organization which have been approved.

Sec. 69. Minnesota Statutes 1986, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in subdivisions 1 to 15 this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdivision 1 as modified by section 72A.08, subdivision 4, and 65B.13.

Sec. 70. Minnesota Statutes 1986, section 72A.20, subdivision 17, is amended to read:

Subd. 17. [RETURN OF PREMIUMS UPON DEATH OF INSURED.] (a) Refusing, upon surrender of an individual policy of life insurance, to refund to the estate of the insured all unearned premiums paid on the policy covering the insured as of the time of the insured's death if the unearned premium is for a period of more than one month.

The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.

For the purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss; or

(b) Refusing, upon termination or cancellation of a policy of automobile insurance under section 65B.14, subdivision 2, or a policy of homeowner's insurance under section 65A.27, subdivision 4, or a policy of accident and sickness under section 62A.01, to refund to the insured all unearned premiums paid on the policy covering the insured as of the time of the termination or cancellation if the unearned premium is for a period of more than one month.

The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.

For purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss.

Sec. 71. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 18. [IMPROPER BUSINESS PRACTICES.] (a) Improperly withholding, misappropriating, or converting any money belonging to a policyholder, beneficiary, or other person when received in the course of the insurance business; or (b) engaging in fraudulent, coercive, or dishonest practices in connection with the insurance business.

Sec. 72. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 19. [SUPPORT FOR UNDERWRITING STANDARDS.] No life or health insurance company doing business in this state shall engage in any selection or underwriting process unless the insurance company establishes beforehand substantial data, actuarial projections, or claims experience which support the underwriting standards used by the insurance company. The data, projections, or claims experience used to support the selection or underwriting

process is not limited to only that of the company. The experience, projections, or data of other companies or a rate service organization may be used as well.

Sec. 73. Minnesota Statutes 1986, section 72A.31, subdivision 1, is amended to read:

Subdivision 1. No person, firm or corporation engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property or who acts as agent or broker for one who purchases real property and borrows money on the security thereof, and no trustee, director, officer, agent or other employee of any such person, firm, or corporation shall directly or indirectly:

(1) require, as a condition precedent to such purchase or financing the purchase of such property or to loaning money upon the security of a mortgage thereon, or as a condition prerequisite for the renewal or extension of any such loan or mortgage or for the performance of any other act in connection therewith, that the person, firm or corporation making such purchase or for whom such purchase is to be financed or to whom the money is to be loaned or for whom such extension, renewal or other act is to be granted or performed negotiate any policy of insurance or renewal thereof covering such property through a particular agent, or insurer; or

(2) refuse to accept any policy of insurance covering such property because it was not negotiated through or with any particular agent, or insurer; or

(3) require any policy of insurance covering the property to exceed the replacement cost of the buildings on the mortgaged premises.

This section shall not prevent the disapproval of the insurer or a policy of insurance by any such person, firm, corporation, trustee, director, officer, agent or employee where there are reasonable grounds for believing that such insurance is unsatisfactory as to placement with an unauthorized insurer, the financial solvency of the insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds which are not arbitrary, unreasonable or discriminatory, nor shall this section forbid the securing of insurance or a renewal thereof at the request of the borrower or because of the borrower's failure to furnish the necessary insurance or renewal thereof.

Upon notice of any such disapproval of an insurer or a policy of insurance, the commissioner may order the approval of the insurer or the acceptance of the tendered policy of insurance, or both, if the commissioner determines such disapproval is not in accordance with the foregoing requirements. Failure to comply with such an order of

the commissioner of commerce shall be deemed a violation of this section.

Sec. 74. Minnesota Statutes 1986, section 169.045, is amended by adding a subdivision to read:

Subd. 8. [INSURANCE.] In the event persons operating a motorized golf cart or four-wheel, all-terrain vehicle under this section cannot obtain liability insurance in the private market, that person may purchase automobile insurance, including no-fault coverage, from the Minnesota Automobile Assigned Risk Plan at a rate to be determined by the commissioner of commerce.

Sec. 75. [604.08] [VOLUNTEER ATHLETIC COACHES AND OFFICIALS; IMMUNITY FROM LIABILITY.]

Subdivision 1. [GRANT.] No individual who provides services or assistance without compensation as an athletic coach, manager, or official for a sports team or any other youth organization that is organized or performing under a nonprofit charter is liable for money damages to a player or participant as a result of the individual's acts or omissions in the providing of that service or assistance.

This section applies to organized sports competitions and practice and instruction in that sport.

For purposes of this section, "compensation" does not include reimbursement for expenses.

Subd. 2. [LIMITATION.] Subdivision 1 does not apply:

(1) to the extent that the acts or omissions are covered under an insurance policy issued to the entity for whom the coach, manager, or official serves;

(2) if the individual acts in a willful and wanton or reckless manner in providing the services or assistance, or if the individual has not successfully completed a safety orientation program established by the commissioner of public safety;

(3) if the acts or omissions arise out of the operation, maintenance, or use of a motor vehicle;

(4) if the acts or omissions are a result of the individual's permitting a sports competition or practice to be conducted without adequate supervision;

(5) to an athletic coach, manager, or official who provides services or assistance as part of a public or private educational institution's athletic program; and

(6) if the individual acts in violation of federal, state, or local law.

The limitation in clause (1) constitutes a waiver of the defense of immunity to the extent of the liability stated in the policy, but has no effect on the liability of the individual beyond the coverage provided.

Sec. 76. [SPECIAL STUDY.]

The commissioner of health, with the advice and assistance of the commissioners of commerce and human services, shall prepare a report to the legislature which addresses the issues concerning reimbursement by third-party payors of home health care benefits for individuals with a medical condition which would require inpatient hospital services in the absence of home or community-based care, and who are dependent upon medical technology in order to avoid death or serious injury. Development of the report shall include participation by home care providers and third-party payors. The report must include recommendations for the adoption of definitions of home care, minimum standards of home care services, the costs of providing home care, and resolution of the issue of cost-shifting of home care. The report must be delivered to the legislature by January 15, 1988.

Sec. 77. [REPEALER.]

Minnesota Statutes 1986, sections 62A.12 and 67A.43, subdivision 3, are repealed.

Minnesota Rules, parts 2700.2400; 2700.2410; 2700.2420; 2700.2430; and 2700.2440, are repealed.

Sec. 78. [EFFECTIVE DATE.]

Sections 27 and 37 are effective for all group policies, all group subscriber contracts, all health maintenance contracts within the scope of Minnesota Statutes, chapters 62A, 62C, and 62D that are issued, delivered, or renewed in this state after August 1, 1987.

Section 74 is effective the day following final enactment.

Section 75 is effective August 1, 1987, and applies to claims arising from incidents occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; requiring notification of group life or health coverage changes; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; providing continued group life coverage upon termination or layoff; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; providing for the extra-territorial application of coverages; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing group coverage for ambulatory mental health services; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; limiting the grounds for cancellation or reduction in limits during the policy period; providing for the priority of security for payment of basic economic loss benefits; extending basic economic loss benefit protection; requiring coverages for former spouses; regulating collision damage waiver fees; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; granting immunity from liability for volunteer coaches, managers, and officials; providing for a special study of home health care benefits for certain individuals; amending Minnesota Statutes 1986, sections 60A.17, subdivisions 2c, 11, and 13; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.30; 60B.44, subdivisions 1, 4, 5, and 9; 60C.09; 61A.09, subdivision 1; 62A.01; 62A.02, subdivision 2; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.152, subdivision 2; 62A.17; 62A.21; 62A.27; 62A.31, subdivision 1a; 62A.43, subdivision 2, and by adding a subdivision; 62A.48, by adding a subdivision; 62D.102; 62E.06, subdivision 1; 62E.14, by adding a subdivision; 62F.041, subdivision 2; 62F.06, subdivision 1; 62H.04; 62I.02, by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.16, subdivision 3; 62I.22, subdivision 2, and by adding a subdivision; 64B.11, subdivision 4; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65B.1311; 65B.15,

subdivision 1; 65B.16; 65B.21, subdivision 2; 65B.46; 65B.47, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.06, by adding a subdivision; 70A.08, subdivision 3; 72A.20, subdivisions 11, 17, and by adding subdivisions; 72A.31, subdivision 1; and 169.045, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 62E; 65B; and 604; repealing Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3; and Minnesota Rules, parts 2700.2400 to 2700.2440."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1184, A bill for an act relating to state lands; authorizing the conveyance of certain lands in Pine county to the Amherst H. Wilder Foundation; amending Laws 1981, chapter 354, section 1, subdivisions 1 and 5; repealing Laws 1981, chapter 354, section 1, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 2, after line 25, insert:

"Sec. 5. [EFFECTIVE DATE.]

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

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 539, 919, 1122, 1407 and 1453 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 69, 478 and 1184 were read for the second time.

ADJOURNMENT

Vanasek moved that when the House adjourns today it adjourn until 11:00 a.m., Friday, May 15, 1987. The motion prevailed.

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Friday, May 15, 1987.

EDWARD A. BURDICK, Chief Clerk, House of Representatives