

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-FIFTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 7, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Harvey Pederson, First Lutheran and Trefoldighed Lutheran Church, Battle Lake, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Olsen, S., was excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Larsen moved that further reading of the Journals be dis-

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1244, 1755, 1804, 1832, 1838, 1844, 1868, 1884, 1922, 1926, 1943, 1999, 2018, 2036, 2045, 2092, 2109, 2270, 2286, 2312, 322, 1589, 1627, 1777, 1912, 1913, 1923, 1950, 1966, 2025, 2063, 2197, 2232, 1855, 2046, 2180, 2340, 2061, 2095 and 2029 and S. F. Nos. 1608, 1644, 1594 and 187 have been placed in the members' files.

S. F. No. 1594 and H. F. No. 2123, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1594 be substituted for H. F. No. 2123 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 258, A bill for an act relating to retirement; increasing the retirement formula for covered correctional service; amending Minnesota Statutes 1986, section 352.93, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 352.93, subdivision 2, is amended to read:

Subd. 2. [CALCULATING MONTHLY ANNUITY.] The monthly annuity under this section must be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first 25 years of correctional service and two percent for each year after that of correctional service. However, the monthly annuity must not exceed 75 percent of the average monthly salary."

Amend the title as follows:

Page 1, line 4, delete "1986" and insert "1987 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 781, A bill for an act relating to human services; establishing a system of state-operated, community-based residential programs for persons with mental retardation; requiring that employees of regional treatment centers and state nursing homes be offered other positions prior to layoff; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 16B.08, subdivision 7; 246.023, subdivision 1; 252.28, by adding a subdivision; and 252.291, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 179A and 252; repealing Minnesota Statutes 1986, section 246.023, subdivisions 2 to 5.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) merchandise for resale at state park refectories or facility operations;

(2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(3) meat for other state institutions from the vocational school maintained at Pipestone by independent school district No. 583; and

(4) furniture from the Minnesota correctional facilities.

(b) The following may be purchased or rented without regard to the competitive bidding requirements of this chapter: supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements."

Page 3, delete lines 3 to 9

Page 3, lines 19 to 22, delete the new language

Page 4, line 7, delete "shall" and insert "may"

Page 5, line 12, delete "affected by" and insert "included in"

Page 5, delete section 6

Page 6, delete sections 8, 9, and 11

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 7, delete "requiring a study; appropriating money;"

Page 1, lines 8 and 9, delete "16B.08, subdivision 7;"

Page 1, lines 9 and 10, delete "252.28, by adding a subdivision;"

Page 1, line 10, after "2," insert "Minnesota Statutes 1987 Supplement, section 16B.08, subdivision 7;"

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; proposing coding for new law in Minnesota Statutes, chapter 222.

Reported the same back with the following amendments:

Page 1, delete lines 19 to 23

Page 1, line 24, delete "4" and insert "3"

Page 3, line 7, delete "understandings" and insert "letters of understanding"

Page 3, line 12, delete "understandings" and insert "letters of understanding"

Page 3, delete lines 16 to 22

Amend the title as follows:

Page 1, line 5, delete the first comma and insert "and" and delete everything after "entities"

Page 1, line 6, delete everything before the semicolon

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1586, A bill for an act relating to education; establishing a regent candidate search commission to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [137.0229] [REGENT CANDIDATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] There is established a candidate advisory council for the board of regents of the University of Minnesota. The purpose of the advisory council is to assist the legislature in identifying qualified candidates for membership on the board of regents.

Subd. 2. [MEMBERSHIP.] The advisory council must be composed of 24 members, three of whom reside in each congressional district. One member from each congressional district must be appointed by the governor. One member from each congressional district must be appointed by the members of the house who represent that district. One member from each congressional district must be appointed by the members of the senate who represent that district. No more than two members from any congressional district shall belong to the same political party. Each member shall serve for a term of six years and may serve one additional term. A vacancy shall be filled in the same manner as the original appointment. Members may be reimbursed for expenses according to section 15.059 but must not be compensated.

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop, in consultation with current and former regents and the administration of the University of Minnesota, and provide to potential candidates a statement of the responsibilities and duties of a regent;

(2) establish a subcommittee for each congressional district, composed of the three advisory council members residing in the congressional district and other members appointed by the subcommittee, and encourage each subcommittee to identify qualified candidates within its congressional district;

(3) for each congressional district position on the board, identify and recruit, through the subcommittee established in clause (2), qualified candidates for the board of regents, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents; and

(4) for each at-large position on the board, including the student position, identify and recruit qualified candidates, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents.

Subd. 4. [RECOMMENDATIONS.] At the time the legislature elects a regent, the advisory council shall recommend at least two

qualified candidates to the appropriate committees of the legislature. For a candidate required to reside in a congressional district, the advisory council shall recommend only a candidate recommended by the subcommittee. The legislature shall not be bound by these recommendations.

Subd. 5. [STAFF] The higher education coordinating board shall provide staff and support for the advisory council as necessary to discharge its responsibilities.

Sec. 2. [INITIAL TERMS.]

Notwithstanding section 1, subdivision 2, for the initial advisory council, one member appointed by each of the appointing authorities shall serve a two-year term, one member shall serve a four-year term, and one member shall serve a six-year term.

Sec. 3. [APPROPRIATION.]

There is appropriated from the general fund to the higher education coordinating board \$ for fiscal year 1989 for the regent candidate advisory council.

Sec. 4. [REPEALER.]

Section 2 is repealed June 30, 1989."

Delete the title and insert:

"A bill for an act relating to education; establishing a regent candidate advisory council to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1656, A bill for an act relating to traffic regulations; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivision 5.

Reported the same back with the following amendments:

Page 2, line 2, delete everything after the period

Page 2, delete lines 3 and 4

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1678, A bill for an act relating to housing; requiring written disclosure of defects in residential housing before sale of that housing; providing for the form, delivery, and effect of disclosure; proposing coding for new law as Minnesota Statutes, chapter 327D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [82.35] [SHORT TITLE.]

Sections 1 to 13 may be cited as the "Minnesota residential real estate transfer disclosure act."

Sec. 2. [82.36] [DEFINITIONS; APPLICATION; EXCLUSIONS.]

Subdivision. 1. [DEFINITIONS.] For the purposes of this act, the following terms have the definitions assigned them:

(a) "Buyer" means the transferee(s) in any of the transactions listed in subdivision 2, as limited by subdivision 3.

(b) "Dwelling unit" has the meaning given it in section 238.22, subdivision 2.

(c) "Seller" means the transferor(s) in any of the transactions listed in subdivision 2, as limited by subdivision 3.

Subd. 2. [APPLICATION.] Except as provided in subdivision 3, this act applies to any transfer by sale, exchange, contract for deed, lease with an option to purchase, any other option to purchase, or ground lease coupled with improvements, of real property, or residential stock cooperative, improved with or consisting of not less than one nor more than two dwelling units, and in the case of two dwelling units, where the owner occupies at least one of the units.

Subd. 3. [EXCLUSIONS.] This act does not apply to:

(1) transfers under court order, including transfers ordered by a probate court in administration of an estate, transfers in accordance with a writ of execution, transfers by a foreclosure sale, transfers by a trustee in bankruptcy, transfers by eminent domain, and transfers resulting from a decree for specific performance;

(2) transfers to a mortgagee by a mortgagor or successor in interest who is in default, transfers to a beneficiary of a deed of trust by a trustor or successor in interest who is in default, transfers by a foreclosure sale after default, in an obligation secured by a mortgage, transfers by a sale under a power of sale or a foreclosure sale under a decree of foreclosure after default in an obligation secured by a deed of trust or secured by any other instrument containing a power of sale, or transfers by a mortgagee or a beneficiary under a deed of trust who has acquired the real property at a sale conducted under a power of sale under a mortgage or deed of trust or a sale according to a decree of foreclosure or has acquired the real property by a deed in lieu of foreclosure;

(3) transfers by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

(4) transfers from one coowner to one or more other coowners;

(5) transfers made to a spouse, or to a person or persons in the direct line of blood relationship of one or more of the transferors;

(6) transfers between spouses resulting from a decree of dissolution of marriage or a decree of legal separation or from a property settlement agreement incidental to either decree;

(7) transfers or exchanges to or from any governmental entity; and

(8) transfers of property improved by new dwellings as defined in section 327A.01, subdivision 3.

Sec. 3. [82.37] [DELIVERY OF WRITTEN DISCLOSURE.]

Subdivision 1. [REQUIREMENT; TIMING.] A seller subject to this act shall deliver to a prospective buyer a written disclosure of the condition of the property subject to the transfer. The disclosure must consist of the form specified in section 6, must be signed by the seller, and must be delivered to the buyer prior to the time the prospective buyer makes an offer or final acceptance of the offer.

Subd. 2. [TERMINATION OF OFFER.] If the disclosure or a material amendment of the disclosure required to be made by this act is delivered after acceptance of an offer to purchase, the buyer has five days after delivery in person or seven days after delivery by

deposit in the mail, to terminate the offer by delivery of a written notice of termination to the seller or the seller's agent.

Sec. 4. [82.38] [ERRORS IN DISCLOSURE; REPORTS OR OPINIONS BY EXPERTS.]

Subdivision 1. [LIABILITY FOR ERROR.] The seller is not liable for any error, inaccuracy, or omission of any information contained in a disclosure statement if:

(1) the error, inaccuracy, or omission was not within the personal knowledge of the seller; or

(2) the error, inaccuracy, or omission was based on information timely provided by public agencies or by other persons as specified in subdivision 3.

Subd. 2. [INFORMATION FROM AGENCY.] Information from a public agency or other person providing information required to be disclosed under this act is in compliance with the requirements of this act and relieves the seller of any further duty with respect to that item of information.

Subd. 3. [INFORMATION FROM EXPERT.] A report or opinion prepared by a licensed engineer, land surveyor, geologist, structural pest control operator, contractor, or other expert, dealing with matters within the scope of the professional's license or expertise, is sufficient for application of the exemption provided by subdivision 1, clause (2), if the information is provided to the prospective buyer under a written or oral request. In responding to such a request, an expert may indicate, in writing, an understanding that the information provided will be used in fulfilling the requirements of this act and shall indicate the required disclosures, or parts of them, to which the information being furnished is applicable. Where such a statement is furnished, the expert is not responsible for any items of information, or parts of them, other than those expressly set forth in the statement.

Sec. 5. [82.39] [INFORMATION SUBSEQUENTLY RENDERED INACCURATE.]

If information initially disclosed is rendered inaccurate as a result of an act, occurrence, or agreement subsequent to the delivery of the required disclosures, the resulting inaccuracy does not violate this act. If at the time the disclosures are required to be made, an item of information required to be disclosed is unknown or unavailable to the seller and the seller has made a reasonable effort to obtain the information, the seller may use an approximation of the information, provided the approximation is clearly identified as such, is

reasonable, is based on the best information available to the seller, and is not used for the purpose of circumventing or evading this act.

Sec. 6. [82.40] [DISCLOSURE FORM.]

Subdivision 1. [FORM.] The disclosure statement required by section 3 must include the following information and must be in the following form:

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY LOCATED IN THE CITY OF COUNTY OF STATE OF MINNESOTA, DESCRIBED AS THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH MINNESOTA STATUTES, SECTIONS 1 to 13. THIS DISCLOSURE IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

NOTE: IN ADDITION TO THE SELLER'S DISCLOSURES CONTAINED ON THIS FORM, ANY PERSON LICENSED TO SELL REAL ESTATE IN MINNESOTA MUST DISCLOSE TO A PROSPECTIVE BUYER ANY MATERIAL FACTS RELATING TO THE CONDITION OF THE PROPERTY OF WHICH THE LICENSEE IS AWARE WHICH COULD ADVERSELY AND SIGNIFICANTLY AFFECT AN ORDINARY PURCHASER'S USE OR ENJOYMENT OF THE PROPERTY. MINNESOTA RULES, PART 2805.1400, SUBPART 3, and MINNESOTA STATUTES, SECTION 82.19, SUBDIVISION 5, ALSO REQUIRE ANY BROKER OR SALESPERSON TO DISCLOSE IN WRITING TO ALL PARTIES INVOLVED IN A TRANSACTION WHOM THE BROKER OR SALESPERSON REPRESENTS.

NOTICE: A SELLER WHO FAILS TO CORRECTLY, TO THE EXTENT OF THE SELLER'S KNOWLEDGE, COMPLETE, SIGN, AND DELIVER THIS STATEMENT TO A BUYER, AND A SELLING BROKER OR AGENT WHO FAILS TO INFORM A BUYER OF THE BUYER'S RIGHT TO THIS DISCLOSURE STATEMENT OR FAILS TO ENSURE DELIVERY OF AN EXISTING STATEMENT TO A BUYER ARE LIABLE TO THE BUYER FOR DAMAGES INCURRED BY THE BUYER CAUSED BY THE LACK OF ACCURATE DISCLOSURE. SECTION 12. THE PARTIES TO ANY DISPUTE THAT ARISES PURSUANT TO THIS DISCLOSURE MUST SUBMIT THE DISPUTE FOR MEDIATION PRIOR TO BRINGING SUIT IN DISTRICT COURT.

COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made in accordance with Minnesota Statutes, sections 1 to 13. Other statutes may also require disclosures, depending upon the details of the particular real estate transaction.

Substituted Disclosures: The following disclosures have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

.....
.....
.....
.....

(list all substituted disclosure forms to be used in connection with this transaction)

SELLERS INFORMATION

The seller discloses the following information with the knowledge that even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the subject property. The seller(s) authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) TO THE EXTENT OF THE SELLER(S) KNOWLEDGE. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

A. GENERAL INFORMATION:

(1) When did you purchase or build the home?
.....

(2) Have you lived in this home for the past 12 months?
Yes No

(3) Has there been any flood or other disaster(s) at the property?
Yes No

If yes, give the details of what happened and when:

.....
.....

(4) Has the structure ever been altered
(for example, additions, altered roof lines, changes to load bearing
walls)? Yes No

If yes, please specify what was done, when, and by whom (owner
or contractor):

(5) Is the property suitable for year-round use?
Yes No

B. STRUCTURAL SYSTEMS:

Do any of the following conditions currently exist or have they
previously existed:

(1) The basement?	YES	NO
(a) Foundation problem
(b) Flooding
(c) Wet Walls
(d) Leakage/seepage
(e) Drain tiling problem
(f) Cracked floors/walls
(g) Sewer backup
(h) Other

Give details to any question answered "yes":

.....
.....

(2) The roof?

(a) What is the age of the roofing material?

Comments:

(b) Has there ever been interior damage from ice buildup?

Yes No

(c) Has there ever been any leakage or other problems?

Yes No

(d) Have there ever been any repairs or replacements made to
the roof? Yes No

Give details to any question answered "yes":

.....
.....
.....

C. SPECIAL COMMENTS ON HEATING, PLUMBING, ELECTRICAL AND MECHANICAL SYSTEMS: (The following are in working order and shall be at time of closing unless otherwise stated in

comments below. Cross off any items not included in the listing contract.)

	<u>YES</u>	<u>NO</u>
<u>Range</u>
<u>Oven</u>
<u>Hood</u>
<u>Refrigerator</u>
<u>Microwave Oven</u>
<u>Dishwasher</u>
<u>Freezer</u>
<u>Washer</u>
<u>Dryer</u>
<u>Trash Compactor</u>
<u>Garbage Disposal</u>
<u>Plumbing Systems</u>
<u>Toilet Mechanisms</u>
<u>Private Well</u>
<u>Intercom</u>
<u>Garage Door Openers & All Controls</u>
<u>Ventilating Fans/Fixtures</u>
<u>Security System</u>
<u>Smoke Detectors</u>
<u>Central Vacuum</u>
<u>Door Bells</u>
<u>Window Treatments</u>
<u>Water Heater</u>
<u>Sump Pump</u>
<u>Drain Tiling</u>
<u>Private Sewer System</u>
<u>Attached Antenna and Cables</u>
<u>Pool and Equipment</u>
<u>Central Heating System</u>
<u>Central Air Conditioning</u>
<u>Wall Air Conditioner(s)</u>
<u>Furnace Humidifier</u>
<u>Electronic Air Purifier</u>
<u>Supplemental Heater</u>
<u>Solar Collectors</u>
<u>Fireplace Equipment</u>
<u>Fireplace and/or Inserts</u>
<u>Woodburning Stove</u>
<u>Incinerator</u>
<u>Water Softener</u>
<u>Sprinkler System</u>
<u>Electrical Systems</u>
<u>Other</u>

Unused Well:Is there a well on the property which is no longer in use?Yes NoIf yes, has it been sealed according to Minnesota Statutes, chapter 156AYes NoContaminated Well:Is there a well on the property containing contaminated water?Yes NoDate well water last tested for contaminants:Comments:D. LAND USE AND PROPERTY CONDITION:Are you aware of any of the following existing:

	<u>YES</u>	<u>NO</u>
<u>Encroachments</u>	...	...
<u>Soil Problems</u>	...	...
<u>Diseased Trees</u>	...	...
<u>Rodents</u>	...	...
<u>Insect Infestation</u>	...	...
<u>Restrictions or Reservations on the use of the property?</u>	<u>Yes</u> <u>No</u>	
<u>Easements other than utility or drainage easements which do not interfere with present improvements?</u>	<u>Yes</u> <u>No</u>	
<u>Is the property located in a designated flood plain?</u>	<u>Yes</u> <u>No</u>	

Comments:E. INSULATION DISCLOSURE:Does the insulation in the property contain urea formaldehyde foam?Yes NoIf unknown, so state:Date insulation installed:Type: Company:Comments:

F. OTHER KNOWN DEFECTS:

Are there any other known defects in or on the property?

Yes

No:

If yes, explain on a separate statement which shall be attached to and become a part of this statement of condition.

G. SELLER'S STATEMENT (to be signed at time of listing):

We/I, the Owner(s) of the property at.....
acknowledge the above Seller's Statement of Condition and give
permission to Listing Broker to disclose this information to the
prospective buyer.

.....
Seller

.....
Date

.....
Seller

.....
Date

H. BUYER'S ACKNOWLEDGMENT (to be signed at time of purchase agreement):

We/I, the Buyer(s) of the property at.....
do acknowledge receipt of the Seller's Statement of Condition and
agree that no representations regarding the condition of the prop-
erty have been made other than those made above. LISTING
BROKER AGENTS MAKE NO REPRESENTATIONS AND ARE
NOT RESPONSIBLE FOR ANY CONDITIONS EXISTING IN THE
PROPERTY.

.....
Buyer

.....
Date

.....
Buyer

.....
Date

I. SELLER'S ACKNOWLEDGMENT (to be signed at time of purchase agreement):

AS OF THE DATE OF THE PURCHASE AGREEMENT, We/I, the
Seller(s) of the above property, agree that the condition of the
property is the same as noted above and will be in proper working
order on date of closing, except for the changes indicated above and
dated:

.....
Seller

.....
Date

.....
Seller

.....
Date

ORIGINAL COPY TO LISTING BROKER: COPIES TO SELLER,
BUYER, SELLING BROKER.

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFES-
SIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY
AND/OR TO PROVIDE FOR APPROPRIATE PROVISIONS IN A

CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

Subd. 2. [FORM CHANGES.] The commissioner of commerce may, by rule, add, delete, or alter provisions of the form required in subdivision 1.

Sec. 7. [82.41] [GOOD FAITH REQUIRED.]

Each disclosure required by this act and each act that may be performed in making the disclosure, shall be made in good faith. "Good faith" means honesty in fact in the conduct of the transaction.

Sec. 8. [82.42] [EFFECT OF OTHER LAW.]

Subdivision 1. [DISCLOSURE NOT A LIMITATION.] The requirements of this act do not limit or abridge any obligation for disclosure created by any other law or any obligation that exists to prevent fraud, misrepresentation, or deceit in the transfer transaction.

Subd. 2. [MUNICIPAL ORDINANCES ALLOWED.] A county, town, or statutory or home rule charter city may adopt an ordinance changing or adding to the requirements of this act only if the ordinance requires greater disclosure, increases a seller's liability, or otherwise provides a greater degree of buyer protection.

Sec. 9. [82.43] [AMENDMENT OF DISCLOSURES.]

Any disclosure statement made pursuant to this act may be amended in writing by the seller. An amendment is subject to section 3.

Sec. 10. [82.44] [DELIVERY OF DISCLOSURES.]

Delivery of the disclosure statement must be made by personal delivery or by mail to the prospective buyer. Delivery to the spouse of a buyer is delivery to the buyer, unless provided otherwise by contract.

Sec. 11. [82.45] [BROKER RESPONSIBILITY.]

Subdivision 1. [WHICH BROKER TO DELIVER.] If more than one licensed real estate broker is acting as an agent in a transaction subject to this act, the selling broker shall, except as otherwise provided in this act, deliver the required disclosure statement to the buyer, unless the seller has given other written instructions for delivery.

Subd. 2. [ADVICE TO BUYER.] If a licensed real estate broker responsible for delivering the disclosure statement under this section cannot obtain the statement and does not have written assurance from the buyer that it has been received, the broker shall advise the buyer in writing of the buyer's right to the disclosure.

Sec. 12. [82.46] [FAILURE TO COMPLY.]

Subdivision 1. [EFFECT ON TRANSFER.] No transfer subject to this act is invalid solely because of the failure of any person to comply with any provision of it.

Subd. 2. [DAMAGES.] A person who negligently violates or fails to perform any duty prescribed by sections 1 to 13 is liable to the buyer in the amount of actual damages suffered by the buyer caused by the lack of accurate disclosure. A person who willfully violates or fails to perform any duty prescribed by sections 1 to 13 is liable to the buyer in the amount of double the actual damages suffered by the buyer.

A buyer who knowingly fails to request the disclosure statement from the seller may not recover damages from any person for failure to comply with the provisions of this act.

Subd. 3. [LIMITATIONS.] An action for damages based on violation of this act must be brought within three years of the date of transfer of the property and must be filed within one year of the date on which the facts alleged in the complaint could reasonably have been known. Nothing in this act relieves a buyer of the duty to exercise reasonable care with respect to facts known to the buyer or reasonably discoverable by the buyer.

Sec. 13. [82.47] [MEDIATION.]

The parties to any unsettled dispute that arises pursuant to this act must submit the dispute for mediation pursuant to sections 572.31 to 572.40 prior to bringing suit in district court, unless the parties have agreed to another alternative dispute resolution mechanism such as arbitration. Failure to engage in mediation in good faith is prima facie evidence of failure to comply with this act."

Delete the title and insert:

"A bill for an act relating to housing; requiring written disclosure of defects in residential housing before sale of that housing; providing for the form, delivery, and effect of disclosure; providing for mediation; proposing coding for new law in Minnesota Statutes, chapter 82."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1743, A bill for an act relating to the city of Eveleth; authorizing benefit increases for certain retired police officers, firefighters, and their surviving spouses.

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

The report was adopted.

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

H. F. No. 1745, A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes.

Reported the same back with the following amendments:

Page 1, line 20, after "and" insert "except that part of said Northeast Quarter of the Northeast Quarter which lies within a distance of 50 feet on each side of the following described line: From a point on the north line of said Section 17, distant 897.5 feet west of the northeast corner, run northwesterly at an angle of 54 degrees 53 minutes 00 seconds from said north section line for 169.29 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds for 223.41 feet; thence deflect to the right on a 10 degrees 00 minutes 00 seconds curve (delta angle 38 degrees 30 minutes 00 seconds) for 385 feet and there terminating; and"

Page 3, after line 2, insert:

"Sec. 2. [RAMSEY COUNTY LAND SALE.]

Ramsey county may sell to Richard J. Schreier, 2125 De Soto Street, Saint Paul, Minnesota 55117, a part of Government Lot three (3) in Section thirty-six (36), Township thirty (30) North of Range twenty-three (23) West of the Fourth Principal Meridian.

Notwithstanding any contrary provision of Minnesota Statutes, section 373.01 or other law, the land may be sold by a private, negotiated sale for a price not less than its appraised value.

The land to be sold is appropriate for development and is in excess of that needed by the county for other purposes."

Renumber remaining section in sequence

Amend the title as follows:

Page 1, line 4, after "purposes" insert "; permitting the county to make a negotiated land sale"

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

The report was adopted.

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

H. F. No. 1746, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [196.021] [DEPUTY COMMISSIONERS TO BE APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The commissioner shall appoint a deputy commissioner for veteran services as provided in subdivision 2, and the board of directors of the Minnesota veterans home may appoint a deputy commissioner for veteran health care as provided in section 7. Both deputy commissioners serve in the unclassified service, the deputy for veteran services at the pleasure of the commissioner and the deputy for health care at the pleasure of the board. The salary of both deputies is not subject to section 43A.17, subdivision 1. Both deputies shall be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. [DEPUTY FOR VETERAN SERVICES; POWERS AND DUTIES.] The deputy commissioner for veteran services has those powers delegated by the commissioner that have not otherwise been delegated to the deputy commissioner for health care by the commissioner or assigned to that deputy commissioner by law. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 2. Minnesota Statutes 1986, section 196.03, is amended to read:

196.03 [OFFICERS AND EMPLOYEES.]

Except as provided in chapter 198, all officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.

Sec. 3. Minnesota Statutes 1986, section 196.05, is amended to read:

196.05 [DUTIES OF COMMISSIONER.]

The commissioner shall:

(1) Act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) Act as custodian of veterans' bonus records;

(3) Administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) Administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) Administer the state soldiers' welfare fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) Cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) Provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

(8) Act as the guardian of the estate for a minor or an incompetent person receiving moneys from the United States government when requested to do so by an agency of the United States of America provided sufficient personnel are available;

(9) Cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by

federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

(10) Assist in implementing state laws, rights and privileges relating to the reemployment of veterans upon their separation from the armed forces;

(11) Contact, at times as the commissioner deems proper, war veterans, as defined in section 197.447, who are confined in a public institution; investigate the treatment accorded those veterans and report annually to the governor the results of the investigations; and the heads of the public institutions shall permit the commissioner, or the commissioner's representative, to visit any veteran; and, if the commissioner, or the commissioner's representative requests any information relative to any veteran and the veteran's affairs, the head of the institution shall furnish it; and

(12) Exercise other powers as may be authorized and necessary to carry out the provisions of this chapter and chapters 197 and 198, consistent with those chapters.

Sec. 4. Minnesota Statutes 1986, section 198.001, is amended to read:

198.001 [DEFINITIONS.]

Subdivision 1. For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. "Resident" means a person admitted to any of the Minnesota veterans home homes.

Subd. 4. "Administrator" means ~~the~~ an administrator of any of the Minnesota veterans home homes.

Subd. 5. "Commissioner" means the commissioner of veterans affairs.

Subd. 6. "Board" means the board of directors of the Minnesota veterans homes, created by section 5.

Subd. 7. "Deputy commissioner" means the deputy commissioner of veterans affairs for health care.

Subd. 8. "Home" means any of the Minnesota veterans homes.

Sec. 5. [198.002] [BOARD OF DIRECTORS.]

Subdivision 1. [CREATION.] The Minnesota veterans homes are governed by a board of directors appointed by the governor.

Subd. 2. [MEMBERSHIP.] The board consists of nine voting members appointed by the governor with the advice and consent of the senate. Members of the board shall fairly represent the geographic areas of the state.

(1) a chair, designated by the governor;

(2) three public members experienced in policy formulation and knowledgeable about health care delivery; and

(3) five members who are veterans experienced in policy formulation and knowledgeable about health care delivery.

The commissioner of veterans affairs and the chair of the senate veterans affairs committee and the chair of the house committee on general legislation, veterans affairs, and gaming serve as ex officio, nonvoting members of the board.

Subd. 3. [TERMS; COMPENSATION.] Membership terms, compensation of members, removal of members, and filling of vacancies are as provided in section 15.0575.

Subd. 4. [INITIAL APPOINTMENTS.] Initial appointments to the board of directors are not subject to section 15.0597.

Subd. 5. [ADMINISTRATIVE SERVICES.] The commissioner of veterans affairs shall provide administrative services to the board necessary for it to carry out its responsibilities.

Subd. 6. [FUTURE ELIMINATION.] If the governor fails to appoint a board, or if the board is eliminated by any other means, its authority vests in the commissioner of veterans affairs.

Sec. 6. [198.003] [POWERS AND DUTIES.]

(a) It is the duty of the board and the board has the power to:

(1) determine policy and, subject to chapter 14, adopt, amend, and repeal rules for the governance of the homes;

(2) report quarterly to the governor on the management, operations, and quality of care provided at the homes;

(3) designate a person to participate as a member of the interagency board for quality assurance established under section 144A.31; and

(4) take other action as provided by law.

(b) The board may appoint a deputy commissioner who shall serve as secretary of the board.

Sec. 7. [198.004] [DEPUTY COMMISSIONER FOR HEALTH CARE TO BE APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The board may appoint a deputy commissioner of veterans affairs for veteran health care who shall have the training, experience, and other qualifications in the field of health care management as the board determines.

Subd. 2. [POWERS AND DUTIES.] If a deputy commissioner is appointed by the board, the deputy commissioner is the administrative head of the veterans homes and has the powers and duties provided by law and delegated by the commissioner. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state. If appointed, the deputy commissioner shall:

- (1) act as an advisor to the board and shall also act as its secretary;
- (2) attend the meetings of the board;
- (3) prepare and recommend to the board policies and rules for governance of the homes;
- (4) appoint an administrator of each home with the approval of the board;
- (5) appoint other employees of the homes in accordance with chapter 43A, which appointment power must be delegated to administrators;
- (6) define the duties of the administrators and employees, and delegate to the administrators those powers and duties determined by the deputy, subject to the control of the deputy;
- (7) with the assistance of the administrators, prepare and submit biennial and annual budgets for the homes to the board and with the approval of the board submit the budgets to the commissioner of veterans affairs for review and comment. The commissioner shall forward the budgets to the commissioner of finance as part of the department's budget;
- (8) report to the board, at least quarterly, on the management, operations, and quality of care at the homes; and
- (9) with the approval of the board, perform other duties as may be required for the management and administration of the homes.

Sec. 8. [198.005] [ADMINISTRATORS.]

If a deputy commissioner of veterans health care is appointed by the board, the deputy commissioner shall, with the approval of the board, appoint an administrator for each of the veterans homes. The administrators act as the administrative head for their respective veterans homes. The administrators shall have a current Minnesota nursing home administrator's license and shall serve in the unclassified service. The salaries of the administrators are not subject to section 43A.17, subdivision 1. The deputy commissioner may remove an administrator with the approval of the board. If a deputy commissioner is not appointed by the board, the board shall appoint the administrators.

Sec. 9. [198.006] [SUPPLEMENTAL PROGRAMS.]

The board of directors shall work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

Sec. 10. [198.007] [QUALITY ASSURANCE.]

The board shall use the case-mix system established under section 144.072 to assess the appropriateness and quality of care and services provided residents of the homes.

The board shall adopt a preadmission screening program, such as the one established under section 256B.091, for all applicants for admission to the homes who may require nursing or boarding care.

Sec. 11. Minnesota Statutes 1986, section 198.01, is amended to read:

198.01 [VETERANS HOME; ELIGIBILITY OF VETERANS.]

The Minnesota veterans home shall provide a home nursing care and related health and social services for veterans and their spouses, surviving spouses, and parents, who meet eligibility and admission requirements, and who comply with the rules of the Minnesota veterans home. Persons who served in the armed forces of the United States during a period of war, and who were discharged or released from the armed forces under conditions other than dishonorable, and who did not receive a bad conduct discharge, shall be eligible for admission to the Minnesota veterans home. Persons who received bad conduct or dishonorable discharges from the armed forces of the United States as a result of drug dependency or abuse shall be eligible for admission to the Minnesota veterans home. The word "veteran" as used in this section means any person who is a citizen of the United States or resident alien and has been separated under honorable conditions from any branch of the armed

forces of the United States: (a) after service on active duty for 181 consecutive days; or, (b) after service during a period of war; or, (c) by reason of disability incurred while serving on active duty has the meaning provided in section 197.447. A "period of war" is:

(1) The Spanish-American War, April 21, 1898, through July 4, 1902.

(a) Includes Philippine Insurrection and Boxer Rebellion.

(b) Includes service in Moro Province, April 21, 1898, through July 15, 1903.

(2) World War I, April 6, 1917, through April 1, 1920.

(a) Includes service in Russia, April 16, 1917, through April 1, 1920.

(b) Includes service through July 2, 1921, if active duty performed during basic war period.

(3) World War II, December 7, 1941, through December 31, 1946 and through July 25, 1947, if continuous duty began on or before December 31, 1946.

(4) The Korean Conflict, June 27, 1950, through January 31, 1955.

(5) The Vietnam era, August 5, 1964, through July 27, 1973.

Sec. 12. Minnesota Statutes 1986, section 198.022, is amended to read:

198.022 [ELIGIBILITY OF SPOUSES, SURVIVING SPOUSES, PARENTS.]

The ~~commissioner~~ board is hereby authorized to admit eligible spouses ~~accompanying~~ veterans, or to admit spouses, surviving spouses and parents of those veterans who are or if living would be, eligible for admission to the ~~home~~ homes.

(1) All applicants for admission to the Minnesota veterans home must be without adequate means of support and unable by reason of wounds, disease, old age, or infirmity to properly maintain themselves.

(2) Veterans must have served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission.

(3) Spouses, surviving spouses, and parents of eligible veterans must be at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for admission.

(4) A surviving spouse, eligible for admission except that the veteran did not serve in a Minnesota regiment or was not a resident of Minnesota at the time of death may be eligible for admission provided the surviving spouse has resided in the state not less than 15 years next preceding the date of application for admission.

(5) A spouse, surviving spouse or parent of the veteran who has previously been a resident of Minnesota for not less than ten years and who lost residency in the state by moving therefrom for the benefit of health or the health of a spouse or child, and who has returned to the state for the purpose of making it home is eligible for admission to the veterans home provided the spouse is otherwise eligible.

(6) A spouse or surviving spouse of a veteran of the Civil War shall be eligible for admission if married to the veteran prior to the year 1905. A spouse or surviving spouse of a veteran of the Spanish-American War, the Philippine Insurrection, or the Boxer Rebellion shall be eligible for admission if married to the veteran prior to December 31, 1937.

Sec. 13. Minnesota Statutes 1986, section 198.03, is amended to read:

198.03 [MAINTENANCE CHARGES.]

Any person otherwise eligible for admission to the Minnesota veterans ~~home~~ homes, except that the person has means of support, may, at the discretion of the ~~commissioner of veterans affairs board~~, be admitted to one of the Minnesota veterans home homes upon entering into and complying with the terms of a contract made by the person with the ~~commissioner board~~, providing for reasonable compensation to be paid by such person to the state of Minnesota for care, support, and maintenance in the home. Any earnings derived by the person from participating in a work therapy program while the person is a resident of the home may not be considered a means of support.

Sec. 14. Minnesota Statutes 1986, section 198.05, is amended to read:

198.05 [NEW BUILDINGS.]

The department of administration shall have and exercise full authority in the erection and construction of new buildings at the veterans ~~home~~ homes. When new buildings are to be erected and

constructed by authority of the state or old buildings to be remodeled it shall be the duty of the department of administration to cause to be prepared plans and specifications for the same, but in so doing it shall consult with the ~~commissioner~~ board in respect to these plans and specifications and shall adopt and carry out, so far as it deems practicable, their requests and desires in the matter.

Sec. 15. Minnesota Statutes 1986, section 198.065, is amended to read:

198.065 [CHIROPRACTIC CARE AVAILABILITY.]

In addition to the other services now provided to residents of the Minnesota veterans ~~home~~ homes, the ~~commissioner~~ board shall provide chiropractic services. The services shall be provided, as appropriations permit, without charge to residents by a licensed chiropractor who is either employed by the ~~commissioner~~ board for the purpose or who has contracted with the ~~commissioner~~ board to provide the services.

Sec. 16. [198.066] [GERIATRIC RESEARCH AND TEACHING.]

The board of directors shall develop a geriatric research and teaching mission for the homes in collaboration with the Veterans Administration and other medical education and allied health facilities.

Sec. 17. Minnesota Statutes 1986, section 198.075, is amended to read:

198.075 [MINNESOTA VETERANS HOME EMPLOYEES; EXCLUDED FROM COMMISSARY PRIVILEGES.]

No commissary privileges including food, laundry service, janitorial service, and household supplies shall be furnished to any employee of the Minnesota veterans ~~home~~ homes.

Sec. 18. Minnesota Statutes 1986, section 198.16, is amended to read:

198.16 [DONATIONS; GENERAL PURPOSES.]

The ~~commissioner~~ board is hereby authorized to accept on behalf of the state any gift, grant, bequest, or devise made for the purposes of this chapter, and administer the same as directed by the donor. All proceeds therefrom including moneys derived from the sale of any real or personal property shall be deposited in the state treasury and credited to the Minnesota veterans home endowment, bequest, and devises fund. Said fund shall consist of two accounts, one of which shall include any trusts prescribed by the donor, the other shall

include any currently expendable proceeds. Disbursements from this fund shall be made in the manner provided for the issuance of other state warrants.

Whenever the ~~commissioner~~ board shall deem it advisable, in accordance with law, to sell or otherwise dispose of any real or personal property thus acquired, the commissioner of administration upon the request of the ~~commissioner of veterans affairs~~ board shall sell or otherwise dispose of said property in the manner provided by law for the sale or disposition of other state property by the commissioner of administration.

Sec. 19. Minnesota Statutes 1986, section 198.161, is amended to read:

198.161 [DONATIONS; PARTICULAR PURPOSES.]

The commissioner may accept donations and gifts of money for the benefit of the residents of the ~~home~~ homes. All moneys so received shall be deposited in a separate account ~~at~~ for the home and records shall be kept, clearly showing the identity of the donor, the purpose of the donation and the ultimate disposition of the donation. Each donation shall be duly receipted and shall be expended or used by the ~~commissioner~~ board as nearly in accordance with the condition of the gift or donation as is compatible with the best interests of the residents of the ~~home~~ homes. The donations so received to the extent they are made to the state of Minnesota are hereby appropriated to the ~~commissioner of veterans affairs~~ board for the purposes of this chapter.

Sec. 20. Minnesota Statutes 1986, section 198.23, is amended to read:

198.23 [PERSONAL PROPERTY OF RESIDENTS; WILLS.]

Upon the decease of any resident of the ~~home~~ homes, the ~~commissioner~~ board shall cause such of the resident's personal estate as may be left in the resident's possession to be disposed of pursuant to the resident's will, if any. All property of the deceased resident of the home not so bequeathed by will, and remaining at ~~the~~ a home, unclaimed, for one year after the resident's death, shall be inventoried, appraised, and sold, and the proceeds thereof paid into the state treasury to the credit of the Minnesota veterans ~~home~~ homes endowment, bequest and devises fund.

Sec. 21. Minnesota Statutes 1986, section 198.231, is amended to read:

198.231 [PERSONAL PROPERTY OF DISCHARGED RESIDENTS.]

Personal property of discharged residents of the veterans ~~home~~ homes that remains unclaimed for one year after discharge may be inventoried, appraised, and sold. The proceeds from the sale must be deposited into the state treasury. Proceeds from the sale of personal property and any funds held on behalf of the resident in the member's depository accounts must be credited to a separate state account and disposed of in accordance with sections 345.41 to 345.43.

Sec. 22. Minnesota Statutes 1986, section 198.261, is amended to read:

198.261 [CANTEEN AND COFFEE SHOP.]

Any profits derived from the operation of ~~the canteen~~ canteens and coffee ~~shop~~ shops at the Minnesota veterans ~~home~~ homes shall be used by the ~~commissioner~~ board only for the direct benefit of the residents of the ~~home~~ homes.

Sec. 23. Minnesota Statutes 1986, section 198.265, is amended to read:

198.265 [DEPOSITORY ACCOUNTS.]

The ~~commissioner~~ board may accept moneys from residents for safe keeping purposes to be returned to such residents on demand. Sufficient money shall be retained at the ~~home~~ homes to satisfy normal demand withdrawal requests of the residents and other anticipated needs. Residents' deposits shall otherwise be deposited in the state treasury to a separate investment account provided by the commissioner of finance, which shall be invested by the state board of investment in accordance with section 11A.21. Residents' moneys on deposit in this account may be placed in this account only after the member has signed an agreement that the resident is willing to have the money in an account that does not draw interest directly to the resident personally.

There is annually appropriated from the account established by this section a sufficient amount to return to the Minnesota veterans ~~home~~ homes, upon written request, sufficient money to satisfy the demand of residents for the return of their money and other requirements.

The interest earned from the investment of the deposits is annually appropriated to the commissioner from the account established by this section to be used by the ~~commissioner~~ board only for the direct benefit of the residents of the ~~home~~ homes, and the interest shall be available to the ~~home~~ homes not less than twice each year.

Sec. 24. Minnesota Statutes 1986, section 198.266, is amended to read:

198.266 [IMPREST CASH FUNDS.]

The ~~commissioner~~ board may establish an imprest cash fund in accordance with section 15.191, subdivision 2. The purpose of the fund is to maintain sufficient money to satisfy normal demand withdrawal requests from residents of the veterans homes as provided for in section 198.265. The fund may also be utilized for the payment of costs for residents to participate in on campus work therapy programs.

Sec. 25. Minnesota Statutes 1986, section 198.31, is amended to read:

198.31 [VETERANS HOME, HASTINGS.]

Control of the state hospital facilities at Hastings is transferred to the ~~commissioner of veterans affairs board~~. This transfer includes the cemetery. The ~~commissioner~~ board shall establish a 200 bed veterans home in these facilities. The veterans home shall be licensed in accordance with the boarding care rules of the department of health. ~~To the extent practical, the veterans home at Hastings shall be operated in the same manner as provided for the Minnesota veterans home at Minneapolis by sections 198.001 to 198.265.~~

Sec. 26. Minnesota Statutes 1986, section 198.32, is amended to read:

198.32 [VETERANS HOME; COMPLAINTS; RESIDENT'S RIGHTS.]

Subdivision 1. [RESIDENT'S RIGHTS.] A resident of the a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the board or to the commissioner of veterans affairs. Each resident of the a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or

reprisal, including retaliatory eviction. A resident of the a home may not be denied any tenant rights available under chapter 566, including the right to recover possession of the premises.

Subd. 2. [RETALIATION PROHIBITED.] ~~The~~ An administrator may not retaliate against any resident who exercises the right to voice grievances by evicting the resident. There shall be a rebuttable presumption that any eviction within 45 days of the exercise by a resident of the right to voice grievances is retaliatory.

Sec. 27. Minnesota Statutes 1986, section 198.33, is amended to read:

198.33 [PRIVACY OF RESIDENTS; SEARCH AND SEIZURE LIMITED TO CRIMINAL WARRANT.]

Subdivision 1. [SEARCHES PROHIBITED.] Residents of the Minnesota veterans home homes have the right to a legitimate expectation of privacy in their persons and property against unreasonable searches and seizures. A search of a resident's room or property may be conducted only when necessary to protect the residents from weapons, illegal drugs, or alcohol, if possession is prohibited by the ~~commissioner~~ board, and is subject to the following:

(a) Prior to conducting a search of a resident's room or property, the administrator shall provide written authorization to conduct the search. This authorization must identify the resident whose room or property is to be searched, state the nature of the risk to the health or safety of that resident or to other individuals in the home, set forth the facts which establish that the risk exists and the source of those facts, and particularly describe the area to be searched and the property to be seized. A separate authorization must be completed for each resident whose room or property is to be searched.

(b) The resident shall be informed of the reasons necessitating a search of the room or property and shall be present during the conduct of the search if the resident requests to be present. A copy of the administrator's authorization must be given to the resident.

(c) If property or other items are taken, a written receipt describing the property or items taken must be given to the resident.

(d) The provisions of this section do not restrict the entry by employees of the home into a resident's room or into areas where the personal possessions of residents are stored for the purpose of providing care or services to the resident or for housekeeping and maintenance purposes. The provisions of this section do not apply to inspections conducted by governmental agencies for the purpose of assessing compliance with state or federal laws and regulations.

(e) Unauthorized searches or seizures by employees of the Minnesota veterans ~~home~~ homes may be grounds for dismissal.

Subd. 2. [WAIVER PROHIBITED.] The Minnesota veterans ~~home~~ homes may not require a resident to waive protection against unreasonable searches and seizures as a condition of eligibility for admission or continuing residence at ~~the a~~ a home. A search conducted under a waiver obtained in violation of this section is an unlawful search and seizure and the person aggrieved may move the district court for return of the property under section 626.21.

Sec. 28. Minnesota Statutes 1986, section 198.34, is amended to read:

198.34 [DEPOSIT OF RECEIPTS.]

Federal money received by the ~~commissioner~~ board for the care of veterans in a veterans home, after being credited to a federal receipt account, must be transferred to the special revenue fund in the state treasury. Money paid to the ~~commissioner~~ board by a veteran or by another person on behalf of a veteran for care in a veterans home must be deposited in the state treasury and credited to the special revenue fund.

Sec. 29. [TRANSFER.]

The duties of the commissioner of veterans affairs relating to the governance, management, and administration of the Minnesota veterans homes in Minneapolis and Hastings, transferred to the commissioner of human services by the commissioner of administration by reorganization order 149, are transferred to the board of directors of the Minnesota veterans homes created in section 5. The transfer is governed by Minnesota Statutes, section 15.039.

Sec. 30. [TRANSFER OF LICENSE; INSPECTION.]

Notwithstanding Minnesota Statutes, sections 144A.04, subdivision 4, and 144A.11, subdivision 2, the commissioner of health shall issue new licenses for the Minnesota veterans homes in Minneapolis and Hastings to the board of directors of the homes upon the application of the board.

The commissioner of health shall conduct an announced on-site review of the Minnesota veterans homes within 30 days after the issuance of licenses to the board of directors. The board shall invite officials of the Veterans Administration to also conduct an inspection.

Sec. 31. [APPROPRIATION.]

\$30,000 in fiscal year 1988 and \$125,000 in fiscal year 1989 is appropriated from the general fund to the board of the Minnesota veterans homes for the purposes of Minnesota Statutes, chapter 198.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06."

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

The report was adopted.

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

H. F. No. 1751, A bill for an act relating to state finances; providing for the cancellation of combined sewer overflow loan repayments to the state by the city of Minneapolis upon certain conditions.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. [RIVERFRONT REDEVELOPMENT BONDS.]

Subdivision 1. The city of Saint Paul is authorized to issue \$10,500,000 in general obligation bonds for the purpose of Shepard and Warner Road reconstruction, related land acquisition and

riverfront redevelopment. None of these funds may be used to develop a grade-separated interchange at the intersection of Shepard and Chestnut roads. The bonds must be issued before December 31, 1988. Bonds issued pursuant to this subdivision shall not be included in the net debt of the city as defined in its charter or in Minnesota Statutes, section 475.51, subdivision 4.

Subd. 2. Upon certification by the city of Saint Paul to the state department of finance and pollution control agency that the city has issued \$10,500,000 in bonds under subdivision 1, any current or future repayments required by Minnesota Statutes, section 116.162, subdivision 6, are canceled."

Renumber remaining section in sequence

Page 1, line 23, delete "section 1 takes" and insert "sections 1 and 2 take"

Amend the title as follows:

Page 1, line 4, after "Minneapolis" insert "and the city of Saint Paul"

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

The report was adopted.

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

H. F. No. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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

The report was adopted.

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

H. F. No. 1796, A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Stat-

utes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Reported the same back with the following amendments:

Page 2, delete lines 9 and 10

Page 2, line 11, delete "(d)" and insert "(c)"

Page 2, line 13, delete "(e)" and insert "(d)"

Page 2, line 16, delete "(f)" and insert "(e)"

Page 2, line 25, delete "(g)" and insert "(f)"

Page 3, line 14, delete "The"

Page 3, delete lines 15 and 16

Page 4, delete lines 4 to 13

Page 5, delete lines 10 to 23

Page 5, line 24, delete "8" and insert "7"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1803, A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 8, after line 29, insert:

"Sec. 7. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM OXYGEN CONTENT.] Unleaded gasoline with an octane rating of 90 or less may not be sold in the metropolitan area as defined in section 473.121, for use in motor vehicles unless it is a gasoline blend consisting of 3.5 oxygen content by weight.

Sec. 8. [RECOMMENDATION OF AN OXYGENATED FUEL.]

By January 1, 1989, the commissioners of the departments of agriculture, transportation, the public service commission, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 7. In selecting the recommended fuel, the following must be considered:

(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;

(2) the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;

(3) the possibility of a reduced need for an inspection and maintenance program;

(4) the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles and other gasoline-powered internal combustion engines;

(5) the energy efficiency of the various fuels;

(6) the physical feasibility of blending the fuels with gasoline;

(7) the current and potential availability of each oxygenated fuel from sources in Minnesota;

(8) the effect on the highway users distribution fund; and

(9) other relevant matters."

Page 9, line 10, delete "1 to 9" and insert "1 to 6 and 8"

Page 9, line 11, after the period insert "Section 7 is effective January 1, 1991. Sections 9 and 10 are effective July 1, 1988."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116."

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

The report was adopted.

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

H. F. No. 1809, A bill for an act relating to the operation of the state displaced homemaker program; providing assistance to displaced homemakers; appropriating money.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1818, A bill for an act relating to traffic regulations; providing for alternative slow-moving vehicle emblem for persons with sincerely held religious beliefs; amending Minnesota Statutes 1987 Supplement, section 169.522, subdivision 1.

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

The report was adopted.

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

H. F. No. 1860, A bill for an act relating to the city of Minneapolis;

providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 3, insert:

"Sec. 3. Laws 1980, chapter 595, section 3, is amended by adding a subdivision to read:

Subd. 13. No bond required from a contractor or developer for any work of construction may be waived or reduced under this section."

ReNUMBER the remaining section in sequence

Amend the title as follows:

Page 1, line 4, delete "a subdivision" and insert "subdivisions"

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

The report was adopted.

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

H. F. No. 1862, A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

Reported the same back with the following amendments:

Page 1, line 26, before the period insert ";

(k) Director of regulatory service;

(l) Director of communications and information service;

(m) Director of neighborhood services;

(n) Assistant to coordinator;

(o) Labor relations representative"

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

The report was adopted.

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

H. F. No. 1863, A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

Reported the same back with the following amendments:

Page 1, line 11, delete "Moundsvew" and insert "Mounds View"

Page 1, line 23, delete "following final enactment" and insert "after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the hospital board of the North Suburban Hospital District."

Page 1, delete lines 24 and 25

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1877, A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

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

The report was adopted.

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

H. F. No. 1914, A bill for an act relating to insurance; regulating the issuance of health and accident policies; liability policies;

homeowners policies; no-fault auto policies; dram shop policies; regulating trade practices; prohibiting the reduction of limits by the costs of defense in certain liability policies; requiring rented vehicle coverage in certain liability policies; regulating rehabilitations and liquidations; limiting the application of the life and health guaranty association to policies and annuity contracts owned by Minnesota residents; regulating insurance agent continuing education; providing for the extraterritorial application of accident and health coverages; mandating certain accident and health and long-term care benefits; defining certain terms related to the payment of losses under fire insurance policies; requiring coverage for water damage; defining certain terms; regulating rented motor vehicle coverages; clarifying a certain term related to disability and income loss benefit under the no-fault automobile act; providing for the return of unearned life insurance premiums upon surrender of the policy; regulating collision damage waivers; regulating certain dram shop policy exclusions; regulating notaries public; extending the period of appointment; amending Minnesota Statutes 1986, sections 60A.02, subdivision 7, and by adding a subdivision; 60A.08, by adding subdivisions; 60A.17, subdivisions 1 and 10; 60A.1701, subdivisions 1 and 9; 60B.17, subdivision 2, and by adding subdivisions; 61A.011, subdivision 1; 61B.03, subdivision 6; 62A.01; 62A.46, subdivisions 2 and 4; 62B.02, subdivision 6; 65A.08, by adding a subdivision; 65A.11; 65A.27, subdivision 1, and by adding a subdivision; 65A.33, subdivision 3; 65B.44, subdivision 3; 72A.20, by adding subdivisions; 340A.409, subdivision 1; 359.02; 359.03; and 359.05; Minnesota Statutes 1987 Supplement, sections 45.025, subdivision 8; 45.027, subdivision 7; 60A.1701, subdivisions 5, 7, and 8; 61A.092, subdivision 3; 61B.02, subdivision 1; 62A.041; 62A.152, subdivision 2; 62A.17, subdivision 2; 62A.27; 62A.46, subdivision 11; 62A.48, subdivisions 1, 2, and 7; 62A.50, subdivision 3; 62E.06, subdivision 1; 65B.15, subdivision 1; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.125, by adding subdivisions; 72A.20, subdivisions 15 and 17; and 72A.201, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 45; 62A; 65A; and 72A; repealing Minnesota Statutes 1986, sections 359.061; 359.07; and 359.071; Minnesota Statutes 1987 Supplement, sections 60A.23, subdivision 7; and 60C.06, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 45.025, subdivision 8, is amended to read:

Subd. 8. [CIVIL REMEDY.] A person violating this section is liable to a purchaser of the investment product. The purchaser may sue either in equity for rescission upon tender of the investment product or at law for damages if the purchaser no longer owns the investment product. In an action for rescission, the purchaser is

entitled to recover the consideration paid for the investment product, together with interest at the legal rate, costs, and reasonable attorney fees, less the amount of any income received on the investment product. In an action at law, damages are the consideration paid for the investment product together with interest at the legal rate to the date of disposition, costs, and reasonable attorney fees, less the value of the investment product at the date of disposition. Subject to the exceptions in subdivision 3, if the advertisement advertises an investment product whose interest rate varies according to the earnings or income of the issuer and if the advertisement projects the accumulated earnings for a period longer than one year, the issuer and agent are jointly and severally liable to the purchaser for the difference in the principal and interest received by the purchaser and the principal and interest as projected in the advertisement.

Sec. 2. Minnesota Statutes 1987 Supplement, section 45.027, subdivision 7, is amended to read:

Subd. 7. [ACTION AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 309, or 332, or censure that person if the commissioner finds that:

(1) the order is in the public interest; ~~or~~ and

(2) the person has violated chapters 45 to 83, 309, or 332.

Sec. 3. Minnesota Statutes 1986, section 60A.02, is amended by adding a subdivision to read:

Subd. 2a. [CONTINUED.] An insurance policy that is issued for a term in excess of one year or that has no specified term or that is designated as being continuous is "continued" each year on the anniversary date of the issuance of the policy.

Sec. 4. Minnesota Statutes 1986, section 60A.08, is amended by adding a subdivision to read:

Subd. 12. [REDUCTION OF LIMITS BY COSTS OF DEFENSE PROHIBITED.] No insurer shall issue or renew a policy of liability insurance in this state, other than professional liability insurance, that reduces the limits of liability stated in the policy by the costs of legal defense.

Sec. 5. Minnesota Statutes 1986, section 60A.08, is amended by adding a subdivision to read:

Subd. 13. [EXCLUSIONS.] All liability policies must provide coverage for rented vehicles as required in chapter 65B.

This subdivision does not apply to liability policies that the commissioner has exempted by order.

This coverage can be excess over any and all specific motor vehicle coverage that is applicable.

Sec. 6. Minnesota Statutes 1986, section 60A.17, subdivision 10, is amended to read:

Subd. 10. [COMMISSIONS OR COMPENSATION.] No commission or other compensation, including commission-splitting, rebate, finder's fees, or otherwise, shall be paid or allowed by any person, firm, or corporation to any other person, firm, or corporation acting, or assuming to act, as an insurance agent without a license therefor. A duly licensed agent may pay commissions or assign or direct that commissions be paid to a partnership of which the agent is a member, employee or agent, or to a corporation of which the agent is an officer, employee or agent. This section shall not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because the person has ceased to hold a license to act as an insurance agent.

Sec. 7. Minnesota Statutes 1987 Supplement, section 60A.17, subdivision 12, is amended to read:

Subd. 12. [LIABILITY FOR PLACING INSURANCE IN UNAUTHORIZED COMPANY.] Any person, regardless of whether that person is required to be licensed as an insurance agent, who participates in any manner in the sale of any insurance policy or certificate, or any other contract providing benefits, for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, other than pursuant to sections 60A.195 to 60A.209, shall be personally liable for all premiums, whether earned or unearned, paid by the insured, and the premiums may be recovered by the insured. In addition, except for a policy, certificate, or contract issued pursuant to sections 60A.195 to 60A.209, that person shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy, certificate, or contract or which would have been covered if the policy, certificate, or contract had been issued to the purchaser of the insurance.

Sec. 8. Minnesota Statutes 1986, section 60A.1701, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of this section,

"course" means a course, program of instruction, or seminar of continuing insurance education. A "national examination" is a program of instruction, provided either in a classroom or through home study, that leads to a nationally recognized professional insurance designation and concludes with a proctored graded examination.

Sec. 9. Minnesota Statutes 1987 Supplement, section 60A.1701, subdivision 5, is amended to read:

Subd. 5. [POWERS OF THE ADVISORY TASK FORCE.] (a) Applications for approval of individuals responsible for monitoring course offerings must be submitted to the commissioner on forms prescribed by the commissioner and must be accompanied by a fee of not more than \$50 payable to the state of Minnesota for deposit in the general fund. A fee of \$5 for each hour or fraction of one hour of course approval sought must be forwarded with the application for course approval. ~~If The advisory task force is created, it shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory task force shall seek out and encourage the presentation of courses.~~

~~(b) If The advisory task force is created, it shall make recommendations and provide subsequent evaluations to the commissioner regarding procedures for reporting compliance with the minimum education requirement.~~

(c) The advisory task force shall recommend the approval or disapproval of national examinations that meet the criteria established by this section and the number of continuing education credit hours to be awarded. In order to be approved, a national examination must:

(1) lead to a nationally recognized professional insurance designation; and

(2) conclude with a written examination that is proctored.

Sec. 10. Minnesota Statutes 1987 Supplement, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall approve any educational program

approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner shall approve or disapprove national examinations that are recommended for approval by the advisory task force. In order for an agent to receive full continuing education credit for a national examination, the agent must pass the examination. An agent studying for a national examination through classroom instruction may receive continuing education regardless of the agent's participation in the proctored examination as determined by the task force.

(c) The commissioner may not accredit a course:

- (1) that is designed to prepare students for a license examination;
- (2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;
- (3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent;
- (4) in motivation, the art of selling, psychology, or time management;
- (5) unless, with the exception of home study for national examinations, the student attends classroom instruction conducted by an instructor approved by the department of commerce; or
- (6) which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce.

Sec. 11. Minnesota Statutes 1987 Supplement, section 60A.1701, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete annually a minimum of 20 15 credit hours of courses accredited by the commissioner. Any person teaching or lecturing at an accredited course qualifies for 1½ three times the number of credit hours that would be granted to a person completing the accredited course. No more than ten credit hours per year may be credited to a person for instructor shall receive credit for instruction or attendance at subsequent offerings of the same course. Courses may not be sponsored by, offered by, or affiliated with an insurance company or its agents. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Sec. 12. Minnesota Statutes 1986, section 60A.1701, subdivision 9, is amended to read:

Subd. 9. [WAIVER OF REQUIREMENTS.] (a) The commissioner may grant a waiver or an extension of time up to 90 days to complete the minimum education requirement to an individual upon a showing of good cause. It is the licensed person's responsibility to request a waiver or extension on a form prescribed by the commissioner. As of the day the licensed person properly files a request for a waiver or extension, the license remains in effect until the commissioner notifies the licensed person of the commissioner's decision. The commissioner may approve a waiver or extension subject to any reasonable conditions. The person's license remains in effect during the compliance period determined by the commissioner. If the licensed person fails to comply with any reasonable conditions imposed by the commissioner, the commissioner shall terminate the license. If the request for a waiver or extension is denied by the commissioner, the licensed person shall have 30 days within which to satisfy the minimum education requirement involved in the request for a waiver or extension. If the minimum education requirement is not satisfied within the compliance period, the commissioner shall terminate the person's license.

(b) Upon application on a form prescribed by the commissioner, the commissioner may grant a waiver of the minimum education requirement to a group or class of licensed persons upon a showing of good cause licensee who is no longer actively engaged in the solicitation and sale of insurance. A licensed person seeking such a waiver from the requirements of this section may be required to submit information to the commissioner that substantiates the person's retirement or inactive status. A licensed person receiving a waiver from the commissioner may maintain and renew a license but may not solicit or sell new insurance business while this waiver is in effect. For the purposes of receiving renewal commissions, and other benefits or compensation from insurers, an agent receiving a waiver under this section is considered to be the holder of a valid insurance agent license in this state.

Sec. 13. Minnesota Statutes 1986, section 60A.198, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person shall not act in any other manner as an agent or broker in the transaction of surplus lines insurance unless licensed under sections 60A.195 to 60A.209. A licensed resident agent may, without a surplus lines license, place and receive compensation for placement of a policy with a surplus lines licensee.

Sec. 14. Minnesota Statutes 1986, section 60A.205, is amended by adding a subdivision to read:

Subd. 3. [LIABILITY OF RESIDENT AGENT.] Notwithstanding any other provision of sections 60A.195 to 60A.209, a licensed resident agent placing business through a licensee shall not be held personally liable unless the agent has failed to assure that the insurer or licensee has complied with the notification requirement provided under section 60A.207.

Sec. 15. Minnesota Statutes 1986, section 60B.17, subdivision 2, is amended to read:

Subd. 2. [GENERAL POWER.] Subject to court approval, the rehabilitator may take such action as that person deems necessary or expedient to reform and revitalize the insurer. The rehabilitator shall have all the powers of the officers and managers, whose authority shall be suspended, except as they are redelegated by the rehabilitator and shall have full power to direct and manage, to hire and discharge employees subject to any contract rights they may have, and to deal with the property and business of the insurer.

The rehabilitator may negotiate with a creditor to compromise a claim.

Sec. 16. Minnesota Statutes 1986, section 60B.17, is amended by adding a subdivision to read:

Subd. 8. [TREATMENT OF CLAIMS.] A plan may discharge the claims of creditors arising before the effective date of the plan, except that the claims of secured creditors must be provided for to the extent of their collateral value. The plan must provide for secured claims by paying secured creditors the equivalent of the fair market value of the collateral securing their claims. The fair market value must be determined on the date of the hearing to approve the plan. The plan may modify the time over which repayment may be made or the interest rate or finance charge of a security agreement.

Sec. 17. Minnesota Statutes 1986, section 60B.17, is amended by adding a subdivision to read:

Subd. 9. [PLAN APPROVAL.] The court shall approve a plan that is in the best interest of insureds or the public. In determining whether a plan is in the best interests of the insureds or the public, the court shall give great weight to the recommendation of the rehabilitator and the commissioner. Upon the court's approval of the plan, the insurer and all creditors are bound by its terms. Approval of the plan discharges all claims against the insurer and the insurer's property is free and clear of all claims or interests of a creditor, except to the extent provided in the plan.

Sec. 18. Minnesota Statutes 1986, section 61A.011, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any other provision of law when any insurer, including a fraternal benefit society, admitted to transact life insurance in this state pays the proceeds of or payments under any policy of life insurance, individual or group, such insurer shall pay interest at a rate not less than the then current rate of interest on death proceeds left on deposit with the insurer, computed from the insured's death until the date of payment, on any such proceeds or payments payable to a beneficiary residing in this state, or to a beneficiary under a policy issued in this state or to a beneficiary under a policy insuring a person resident in this state at the time of death. If the insurer has no established current rate of interest for death proceeds left on deposit with the insurer, then the rate of interest to be paid under this subdivision shall be the rate of interest charged by the insurer to policy holders for loans under the insurer's policies.

Sec. 19. Minnesota Statutes 1987 Supplement, section 61A.092, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF OPTIONS.] Upon termination of or layoff from employment of a covered employee, the employer shall inform the employee of:

- (1) the employee's right to elect to continue the coverage;
- (2) the amount the employee must pay monthly to the employer to retain the coverage;
- (3) the manner in which and the office of the employer to which the payment to the employer must be made; and
- (4) the time by which the payments to the employer must be made to retain coverage.

The employee has 60 days within which to elect coverage. The 60-day period shall begin to run on the date coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice must be in writing and sent by first class certified mail to the employee's last known address which the employee has provided to the employer.

A notice in substantially the following form is sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group insurance benefits for a period of up to 18 months. To do so, you must notify your former employer within 60 days of your receipt of this notice that you intend to retain this coverage and must make a monthly payment of \$..... at by the of each month."

Sec. 20. Minnesota Statutes 1987 Supplement, section 61B.02, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Sections 61B.01 to 61B.16 apply to direct life insurance policies, health insurance policies including subscriber contracts issued by a nonprofit health service plan corporation operating under chapter 62C, annuity contracts, and contracts supplemental to life and health insurance policies or annuity contracts owned by Minnesota residents, issued by persons authorized at any time to transact insurance or business as a nonprofit health service plan corporation operating under chapter 62C in this state. Sections 61B.01 to 61B.16 do not apply to:

(a) any policy or contract or part thereof under which the risk is borne by the policyholder;

(b) any policy or contract or part thereof assumed by an impaired insurer under a contract of reinsurance other than reinsurance for which assumption certificates have been issued;

(c) any policy or contract issued by an assessment benefit association operating under chapter 63, or a fraternal benefit society operating under chapter 64B; or

(d) any health insurance policies issued by a person other than a person authorized to write life insurance in this state or other than a person whose corporate charter would permit the writing of life insurance but who is authorized to write only health insurance in this state; or

(e) any policy not owned by a Minnesota resident.

Sec. 21. Minnesota Statutes 1986, section 61B.03, subdivision 6, is amended to read:

Subd. 6. "Covered policy" means any policy or contract owned by a Minnesota resident to which sections 61B.01 to 61B.16 apply, as provided in section 61B.02.

Sec. 22. 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 purposes of chapters 62A and 62E, the term "policy" also includes a certificate of insurance or similar evidence of insurance coverage issued to a Minnesota resident.

This section supersedes any inconsistent provision of chapters 62A and 62E.

A policy of accident and sickness insurance that is issued or delivered in this state and that covers a person residing in another state may as to that person provide coverage or contain provisions that are less favorable to that person than required by chapters 62A and 62E. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.

Sec. 23. Minnesota Statutes 1987 Supplement, section 62A.041, is amended to read:

62A.041 [MATERNITY BENEFITS.]

Subdivision 1. [DISCRIMINATION PROHIBITED AGAINST 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.

Subd. 2. [LIMITATION ON COVERAGE PROHIBITED.] Each group policy of accident and health insurance, except for policies which only provide coverage for specified diseases, or 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.

Subd. 3. [ABORTION.] 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. [62A.047] [LIMITATION ON PREAUTHORIZATIONS.]

No policy of accident and sickness insurance issued or renewed in this state may contain a provision that renders an insured person ineligible to receive full benefits because of the insured's failure to obtain preauthorization if that failure occurs after emergency confinement or emergency treatment; provided, however, that to the extent that the insurer can show actual prejudice caused by the failure to obtain preauthorization, the insured may be denied all or part of their benefits.

Sec. 25. [62A.155] [TREATMENT RESTRICTIONS.]

No group policy or plan of health and accident insurance regulated under this chapter which provides coverage for a particular health care treatment or procedure shall contain a provision requiring that the health care treatment or procedure be performed within an unreasonable time period.

Sec. 26. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every 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 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 the employee becomes covered satisfies any preexisting conditions limitations and obtains full health care coverage under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter.

Sec. 27. [62A.215] [CONVERSION PRIVILEGES UNDER AN INDIVIDUAL AND GROUP POLICY.]

Subdivision 1. [COVERAGE PRIVILEGES.] Every individual and group policy, plan, or contract of accident and health insurance providing coverage of hospital or medical expenses, which in addition to covering the insured also provides coverage to the dependents of the insured, shall contain a provision allowing a former dependent of an insured, without providing evidence of insurability, to obtain from the insurer, upon the termination of coverage, conversion coverage providing at least the same policy, plan, or contract with identical coverage, priced at a rate appropriate for individuals of the same age and sex. A policy, plan, or contract providing reduced benefits at a reduced premium rate may be accepted by the former dependent in lieu of the optional coverage otherwise required by this section. The individual policy, plan, or contract shall be renewable annually at the option of the former dependent as long as the former dependent 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.

Subd. 2. [TERMINATION UPON ATTAINMENT OF SPECIFIC AGE.] Every individual and group policy, plan, or contract of accident and health insurance providing coverage of hospital or medical expenses, which in addition to covering the insured also provides coverage to the dependents of the insured, and which provides that coverage of a dependent child terminates upon attainment of a specified age, must also provide that attainment of that age does not terminate coverage while the dependent child is a full-time student in a college, university, or an area vocational technical institute accredited by the Minnesota department of education, except that coverage under the individual or group policy, plan, or contract need not be extended beyond age 23 for the full-time student.

This section applies to all policies, plans, and contracts issued by organizations licensed under chapters 62A, 62C, 62D, and 62H.

Sec. 28. Minnesota Statutes 1987 Supplement, section 62A.27, is amended to read:

62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

No An 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 that provides coverage to a Minnesota resident must cover 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. 29. Minnesota Statutes 1986, section 62A.46, subdivision 2, is amended to read:

Subd. 2. [LONG-TERM CARE POLICY.] "Long-term care policy" means an individual or group policy, certificate, subscriber contract, or other evidence of coverage that provides benefits for medically prescribed long-term care, including nursing facility services and home care services, and adult day care services, pursuant to the requirements of sections 62A.46 to ~~62A.56~~ 62A.58. A long-term care policy must contain a designation specifying whether the policy is a long-term care policy AA or A and a caption stating that the commissioner has established two categories of long-term care insurance and the minimum standards for each.

Sections 62A.46, 62A.48, and 62A.52 to ~~62A.56~~ 62A.58 do not apply to a long-term care policy issued to (a) 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 or (b) to a labor union or similar employee organization. The associations exempted from the requirements of sections 62A.31 to 62A.44 under 62A.31, subdivision 1, clause (c) shall not be subject to the provisions of sections 62A.46 to ~~62A.56~~ 62A.58 until July 1, 1988.

Sec. 30. Minnesota Statutes 1986, section 62A.46, subdivision 4, is amended to read:

Subd. 4. [HOME CARE SERVICES.] "Home care services" means one or more of the following medically prescribed services for the long-term care and treatment of an insured that are provided by a home health agency in a noninstitutional setting or in an adult day care setting or by an adult day care facility in a noninstitutional setting according to a written diagnosis and plan of care:

(1) nursing and related personal care services under the direction of a registered nurse, including the services of a home health aide;

(2) physical therapy;

(3) speech therapy;

(4) respiratory therapy;

- (5) occupational therapy;
- (6) nutritional services provided by a licensed dietitian;
- (7) homemaker services, meal preparation, and similar nonmedical services;
- (8) medical social services; and
- (9) other similar medical services and health-related support services.

Sec. 31. Minnesota Statutes 1987 Supplement, section 62A.46, subdivision 11, is amended to read:

Subd. 11. [BENEFIT PERIOD.] "Benefit period" means one or more separate or combined periods of confinement covered by a long-term care policy in a nursing facility or at home while receiving home care services or while receiving services for adult day care. A benefit period begins on the first day the insured receives a benefit under the policy and ends when the insured has received no benefits for the same or related cause for an interval of 180 consecutive days.

Sec. 32. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to ~~62A.56~~ 62A.58. A long-term care policy must cover medically prescribed long-term care in nursing facilities and at least the medically prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency and an adult day care facility. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums, and a requirement of prior hospitalization for up to one day may be imposed only for long-term care in a nursing facility. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, nursing facility and home care coverages must not be subject to separate lifetime maximums, and a requirement of prior hospitalization for up to three days may be imposed for long-term care in a nursing facility or home care services. If long-term care policies require the policyholder to be admitted to a nursing facility or, begin home care services or the services of an adult day care

facility within a specified period after discharge from a hospital, that period may be no less than 30 days.

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to meet a prior hospitalization test more than once during a single benefit period. No policy may require the insured to be home-bound or house-confined to receive home care services or adult day care. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

The insurer's system of classification for figuring premium rates must be reasonably designed to avoid an unfair burden on any class of insureds, and to promote predictability of future premiums.

Sec. 33. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 2, is amended to read:

Subd. 2. [PER DIEM COVERAGE.] If benefits are provided on a per diem basis, the minimum daily benefit for care in a nursing facility must be the lesser of \$60 or actual charges under a long-term care policy AA or the lesser of \$40 or actual charges under a long-term care policy A and the minimum benefit per visit for home care under a long-term care policy AA or A must be the lesser of \$25 or actual charges. The minimum daily benefit for adult day care under a long-term policy AA or A must be the lesser of \$25 or actual charge. The adult care benefit must cover seven days per week. The home care services benefit must cover at least seven paid visits per week.

Sec. 34. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 7, is amended to read:

Subd. 7. [EXISTING POLICIES.] Nothing in sections 62A.46 to ~~62A.56~~ 62A.58 prohibits the renewal of the following long-term policies:

(1) policies sold outside the state of Minnesota to persons who at the time of sale were not residents of the state of Minnesota;

(2) policies sold before August 1, 1986; and

(3) policies sold before July 1, 1988, by associations exempted from sections 62A.31 to 62A.44 under section 62A.31, subdivision 1a.

Sec. 35. Minnesota Statutes 1987 Supplement, section 62A.50, subdivision 3, is amended to read:

Subd. 3. [DISCLOSURES.] No long-term care policy shall be offered or delivered in this state, whether or not the policy is issued in this state, and no certificate of coverage under a group long-term care policy shall be offered or delivered in this state, unless a statement containing at least the following information is delivered to the applicant at the time the application is made:

(1) a description of the benefits and coverage provided by the policy and the differences between this policy, a supplemental Medicare policy and the benefits to which an individual is entitled under parts A and B of Medicare and the differences between policy designations A and AA;

(2) a statement of the exceptions and limitations in the policy including the following language, as applicable, in bold print: **"THIS POLICY DOES NOT COVER ALL NURSING CARE FACILITIES OR NURSING HOME OR, HOME CARE, OR ADULT DAY CARE EXPENSES AND DOES NOT COVER RESIDENTIAL CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY."**;

(3) a statement of the renewal provisions including any reservation by the insurer of the right to change premiums;

(4) a statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions;

(5) an explanation of the policy's loss ratio including at least the following language: **"This means that, on the average, policyholders may expect that \$ of every \$100 in premium will be returned as benefits to policyholders over the life of the contract."**; and

(6) a statement of the out-of-pocket expenses, including deductibles and copayments for which the insured is responsible, and an explanation of the specific out-of-pocket expenses that may be accumulated toward any out-of-pocket maximum as specified in the policy;

(7) the following language, in bold print: "NOT EVERYONE NEEDS LONG-TERM CARE INSURANCE. THERE IS A PROGRAM CALLED MEDICAL ASSISTANCE WHICH HELPS PAY FOR NURSING HOME CARE. OUR AGENTS ARE NOT QUALIFIED TO EXPLAIN MEDICAL ASSISTANCE ELIGIBILITY OR COVERAGE. FOR INFORMATION ON MEDICAL ASSISTANCE CALL YOUR LOCAL OLDER AMERICANS LEGAL SERVICES PROGRAM, YOUR LOCAL OFFICE OF OMBUDSMAN FOR OLDER MINNESOTANS, OR YOUR COUNTY HUMAN SERVICES DEPARTMENT.";

(8) the following language, in bold print: "YOUR PREMIUMS CAN BE INCREASED IN THE FUTURE. WE DO NOT KNOW, TODAY, HOW MUCH YOUR PREMIUM WILL BE IN FUTURE YEARS. THE RATE SCHEDULE THAT LISTS YOUR PREMIUM NOW CAN CHANGE.";

(9) the following language, if applicable, in bold print: "A SIGNIFICANT NUMBER OF PEOPLE ARE NOT HOSPITALIZED PRIOR TO ENTERING A NURSING HOME OR NEEDING HOME CARE, AND THEY WOULD NOT BE ABLE TO COLLECT ANY BENEFITS UNDER THIS PARTICULAR POLICY."; and

(10) a signed and completed copy of the application for insurance is left with the applicant at the time the application is made.

Sec. 36. Minnesota Statutes 1986, section 62A.54, is amended to read:

62A.54. [PROHIBITED PRACTICES.]

Unless otherwise provided for in Laws 1986, chapter 397, sections 2 to 8, the solicitation or sale of long-term care policies is subject to the requirements and penalties applicable to the sale of medicare supplement insurance policies as set forth in sections 62A.31 to 62A.44.

It is misconduct for any agent or company to make any misstatements concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any inquiry regarding medical assistance or long-term care financing shall be answered with, and every oral marketing presentation must contain, the following statements: "There is a program called

medical assistance which helps pay for nursing home care. Our agents are (or I am) not qualified to advise you on medical assistance eligibility. For information on medical assistance you can call your local older Americans legal services program, your local office of ombudsman for older Minnesotans, or your county human services department."

Sec. 37. [62A.57] [POLICY REPLACEMENT.]

No insurer or agent shall replace a long-term care policy with another long-term care policy of the same category unless there is a substantial difference in cost favorable to the policyholder, or the insured has previously demonstrated a dissatisfaction with the service presently being received from the current insurer. An insurer or agent may replace an AA classification long-term care policy with an A classification long-term care policy only if the prospective insured signs an acknowledgment that it is understood that the prospective insured will receive fewer benefits under the new policy than under the policy presently in force.

Sec. 38. [62A.58] [RESTRICTIONS ON POLICY ISSUANCE.]

Subdivision 1. [DUPLICATE COVERAGE PROHIBITED.] No agent shall sell a long-term care policy, as defined in sections 62A.46 and 62A.48, to a person who currently has one plan in effect. However, an agent may sell a replacement plan under section 62A.57 if the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. An application for long-term care insurance must require a listing of all long-term care insurance maintained by the applicant as of the date the application and the date the existing coverage expires.

Subd. 2. [REFUNDS.] An insurer that issues a long-term care plan to a 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.

Subd. 3. [ACTION BY COMMISSIONER.] If the commissioner determines after an investigation that an insurer has issued a long-term care plan to a person who already has one plan, except as permitted in subdivision 1, the commissioner shall notify the insurer in writing of the determination. If the insurer after notification fails to take reasonable action to prevent overselling, the commissioner may, in the manner prescribed in chapter 45, revoke or suspend the insurer's authority to sell accident and health insurance in the state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 39. Minnesota Statutes 1986, section 62B.02, subdivision 6, is amended to read:

Subd. 6. "Indebtedness" means the total amount payable by a debtor to a creditor in connection with a loan or other credit transaction.

"Indebtedness" for purposes of credit life insurance means the original principal amount of the loan or credit transaction including interest earned or precomputed. For contracts payable in installments, indebtedness means the original principal amount payable or scheduled to be paid determined on the actuarial basis.

Sec. 40. Minnesota Statutes 1987 Supplement, 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 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 but including scalp hair prostheses worn for hair loss suffered as a result of alopecia areata;

(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;

(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 section 62A.04, subdivision 3, clause (3);

(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. 41. [65A.061] [CREDITORS LIMITED TO EXISTING INSURANCE.]

Notwithstanding any other law to the contrary, when a creditor requires the obligors to provide insurance on real or personal property security against reasonable risks of loss, damage, or destruction, no insurance shall be sold or placed by or through the creditor if the obligor provides the creditor with a loss payable through existing policies of insurance that the obligor owns or controls unless the existing insurance is in an amount less than the

amount of indebtedness to be secured of the real or personal property.

Sec. 42. Minnesota Statutes 1986, section 65A.08, is amended by adding a subdivision to read:

Subd. 7. [APPLICATION.] This section applies to homeowner's insurance and mobile home insurance policies.

Sec. 43. Minnesota Statutes 1986, section 65A.11, is amended to read:

65A.11 [PAYMENT TO MORTGAGEE.]

When the whole, or any part, of the loss is payable, in terms or otherwise, to or for one or more mortgagees, upon proof before payment of the rights of the parties, the company shall pay the same in the order of priority to the extent of its liability and every such payment to such extent shall be payment and satisfaction of its liability under the policy.

For purposes of this section, (1) "mortgagee" includes a trustee or a seller under a contract of sale agreement; and (2) "mortgage" includes a contract of sale.

Sec. 44. Minnesota Statutes 1986, section 65A.33, subdivision 3, is amended to read:

Subd. 3. "Property or liability insurance" means the coverage against direct loss to real or tangible personal property at a fixed location that is provided in the standard fire policy, extended coverage endorsement, homeowners insurance, as defined in section 65A.27, subdivision 4, cooperative housing insurance, condominium insurance, builders risk, and such vandalism and malicious mischief insurance and such other classes of insurance as may be added to the program with respect to said property by amendment as hereinafter provided. Property or liability insurance does not include automobile, ~~farm~~, commercial liability, or such manufacturing risks as may be excluded by the commissioner.

Sec. 45. Minnesota Statutes 1987 Supplement, 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, unless the other operator is identified by name in another policy as an insured:

(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. 46. Minnesota Statutes 1986, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$250 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain the income of the injured person, which are normally performed by the injured person, and which cannot be performed because of the injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$250 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in

available appropriate substitute work which the injured person was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which the injured person is or may by training become reasonably qualified. If the injured person returns to employment and is unable by reason of the injury to work continuously, compensation for lost income shall be reduced by the income received while the injured person is actually able to work. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.

For the purposes of this section, an injured person who is "unable by reason of the injury to work continuously" includes, but is not limited to, a person who misses time from work, including reasonable travel time, to obtain medical treatment for an injury arising out of the maintenance or use of a motor vehicle.

Sec. 47. Minnesota Statutes 1987 Supplement, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. [RENTAL VEHICLES.] (a) ~~No~~ Every plan of reparation security may be issued or renewed after August 1, 1987, unless the plan provides that all coverages under the plan are extended to any motor vehicle while being rented by the named insured. The plan insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3 must also provide that all or any part of the obligation of the named insured for property damage and loss of use to a rented vehicle would be covered by the collision or comprehensive portion of the plan. The plan must provide that any deductible will not apply to claims that arise while a motor vehicle is being rented by a named insured property damage liability portion of the plan. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$25,000, the coverage available under the subdivision must be \$25,000. Other than as described in this paragraph, nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in section 65B.49.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is not rented for purposes of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period or the vehicle is rented principally for business purposes.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to rental vehicles and that the

insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), claims must be made against the plan covering the motor vehicle most often driven by the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, 1988 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice. A form approved by the commissioner must be reasonably calculated to put the insured on notice of the coverage.

(f) When a motor vehicle is rented or leased in this state on a weekly or daily basis, the rental contract must contain a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must cover the rental of a this motor vehicle unless the rental is principally for business use or rented on a monthly or longer basis against damage to the vehicle and against loss of use of the vehicle. Therefore, purchase of any collision damage waiver or other similar insurance affected in this rental contract may is not be necessary if your policy was issued in Minnesota.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

Sec. 48. Minnesota Statutes 1987 Supplement, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other

constitutionally allowable device, provide for the mandatory submission to binding arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of \$5,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage.

Sec. 49. Minnesota Statutes 1987 Supplement, section 72A.125, is amended by adding a subdivision to read:

Subd. 3. [COLLISION DAMAGE WAIVER.] 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 it was first rented. The waiver is a full and complete discharge of the responsibility to return the vehicle in the same condition as when it was first rented. The waiver may not contain any exclusions.

Sec. 50. Minnesota Statutes 1987 Supplement, section 72A.20, subdivision 15, is amended to read:

Subd. 15. [PRACTICES NOT HELD TO BE DISCRIMINATION OR REBATES.] Nothing in subdivision 8, 9, or 10, or in section 72A.12, subdivisions 3 and 4, shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) in the case of any contract of life insurance or annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;

(2) in the case of life insurance policies issued on the industrial debit plan, making allowance, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer, in an amount which fairly represents the saving in collection expense;

(3) readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;

(4) in the case of an individual or group health insurance policy, the payment of differing amounts of reimbursement to insureds who elect to receive health care goods or services from providers designated by the insurer, provided that each insurer shall on or before August 1 of each year file with the commissioner summary data regarding the financial reimbursement offered to providers so designated.

Any insurer which proposes to offer an arrangement authorized under this clause shall disclose prior to its initial offering and on or before August 1 of each year thereafter as a supplement to its annual statement submitted to the commissioner pursuant to section 60A.13, subdivision 1, the following information:

(a) the name which the arrangement intends to use and its business address;

(b) the name, address, and nature of any separate organization which administers the arrangement on the behalf of the insurers; and

(c) the names and addresses of all providers designated by the insurer under this clause and the terms of the agreements with designated health care providers.

The commissioner shall maintain a record of arrangements proposed under this clause, including a record of any complaints submitted relative to the arrangements.

If the commissioner requests copies of contracts with provider under this clause, all information contained in the contracts whose release the commissioner determines may place the provider at a competitive disadvantage is nonpublic data.

Sec. 51. Minnesota Statutes 1987 Supplement, section 72A.20, subdivision 17, is amended to read:

Subd. 17. [RETURN OF PREMIUMS.] (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. Refusing, upon surrender of an individual policy of life insurance, to refund to the owner all unearned premiums paid on the policy.

(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 insurance under section 62A.01, or a policy of comprehensive health insurance under chapter 62E, 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. Except for premiums for motorcycle coverage, the unearned premium is determined by multiplying the premium by the fraction that results from dividing the period of time the policy has been in force by the period of time for which the premium was paid.

Sec. 52. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 20. No insurance company doing business in this state shall engage in any selection or underwriting practice which is arbitrary, capricious, or unfairly discriminatory.

Sec. 53. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 21. [NOTICE OF NONRENEWAL.] No insurer shall fail to renew an individual life or health policy or nonprofit health service plan subscriber contract for nonpayment of premium unless it mails or delivers to the named insured, at the address shown on the policy or subscriber contract at least ten business days before lapse, final notice to pay the premium due for the specified period of coverage.

Proof of mailing of the notice of lapse for failure to pay the premium before the expiration of the grace period is sufficient proof that notice required in this subdivision has been given.

Sec. 54. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 22. [DISCRIMINATION IN AUTOMOBILE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state may use unemployment as a basis for denial of coverage.

(b) No insurer that offers an automobile policy in this state may deny coverage based on the failure to have an automobile policy in force during the two years prior to the application.

Sec. 55. Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 4, is amended to read:

Subd. 4. [STANDARDS FOR CLAIM FILING AND HANDLING.]
The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

(1) except for claims made under a health insurance policy, after receiving notification of claim from an insured or a claimant, failing to acknowledge receipt of the notification of the claim within ten business days, and failing to promptly provide all necessary claim forms and instructions to process the claim, unless the claim is settled within ten business days. The acknowledgment must include the telephone number of the company representative who can assist the insured or the claimant in providing information and assistance that is reasonable so that the insured or claimant can comply with the policy conditions and the insurer's reasonable requirements. If an acknowledgment is made by means other than writing, an appropriate notation of the acknowledgment must be made in the claim file of the insurer and dated. An appropriate notation must include at least the following information where the acknowledgment is by telephone or oral contact:

- (i) the telephone number called, if any;
- (ii) the name of the person making the telephone call or oral contact;
- (iii) the name of the person who actually received the telephone call or oral contact;
- (iv) the time of the telephone call or oral contact; and
- (v) the date of the telephone call or oral contact;

(2) failing to reply, within ten business days of receipt, to all other communications about a claim from an insured or a claimant that reasonably indicate a response is requested or needed;

(3) unless provided otherwise by law or in the policy, failing to complete its investigation and inform the insured or claimant of acceptance or denial of a claim within 30 business days after receipt of notification of claim unless the investigation cannot be reasonably completed within that time. In the event that the investigation cannot reasonably be completed within that time, the insurer shall notify the insured or claimant within the time period of the reasons why the investigation is not complete and the expected date the investigation will be complete. For claims made under a health policy the notification of claim must be in writing;

(4) where evidence of suspected fraud is present, the requirement to disclose their reasons for failure to complete the investigation within the time period set forth in clause (3) need not be specific.

The insurer must make this evidence available to the department of commerce if requested;

(5) failing to notify an insured who has made a notification of claim of all available benefits or coverages which the insured may be eligible to receive under the terms of a policy and of the documentation which the insured must supply in order to ascertain eligibility;

(6) unless otherwise provided by law or in the policy, requiring an insured to give written notice of loss or proof of loss within a specified time, and thereafter seeking to relieve the insurer of its obligations if the time limit is not complied with, unless the failure to comply with the time limit prejudices the insurer's rights and then only if the insurer gave prior notice to the insured of the potential prejudice;

(7) advising an insured or a claimant not to obtain the services of an attorney or an adjuster, or representing that payment will be delayed if an attorney or an adjuster is retained by the insured or the claimant;

(8) failing to advise in writing an insured or claimant who has filed a notification of claim known to be unresolved, and who has not retained an attorney, of the expiration of a statute of limitations at least 60 days prior to that expiration. For the purposes of this clause, any claim on which the insurer has received no communication from the insured or claimant for a period of two years preceding the expiration of the applicable statute of limitations shall not be considered to be known to be unresolved and notice need not be sent pursuant to this clause;

(9) demanding information which would not affect the settlement of the claim;

(10) unless expressly permitted by law or the policy, refusing to settle a claim of an insured on the basis that the responsibility should be assumed by others;

(11) failing, within 60 business days after receipt of a properly executed proof of loss, to advise the insured of the acceptance or denial of the claim by the insurer. No insurer shall deny a claim on the grounds of a specific policy provision, condition, or exclusion unless reference to the provision, condition, or exclusion is included in the denial. The denial must be given to the insured in writing with a copy filed in the claim file;

(12) denying or reducing a claim on the basis of an application which was altered or falsified by the agent or insurer without the knowledge of the insured;

(13) failing to notify the insured of the existence of the additional living expense coverage when an insured under a homeowners policy sustains a loss by reason of a covered occurrence and the damage to the dwelling is such that it is not habitable;

(14) failing to inform an insured or a claimant that the insurer will pay for an estimate of repair if the insurer requested the estimate and the insured or claimant had previously submitted two estimates of repair; and

(15) failing to inform an insured or claimant of all coverages and the dollar amount of all coverages under the insured's insurance policy or policies when that information is requested by the claimant or insured.

Sec. 56. Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 5, is amended to read:

Subd. 5. [STANDARDS FOR FAIR SETTLEMENT OFFERS AND AGREEMENTS.] The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

(1) making any partial or final payment, settlement, or offer of settlement, which does not include an explanation of what the payment, settlement, or offer of settlement is for;

(2) making an offer to an insured of partial or total settlement of one part of a claim contingent upon agreement to settle another part of the claim;

(3) refusing to pay one or more elements of a claim by an insured for which there is no good faith dispute;

(4) threatening cancellation, rescission, or nonrenewal of a policy as an inducement to settlement of a claim;

(5) notwithstanding any inconsistent provision of section 65A.01, subdivision 3, failing to issue payment for any amount finally agreed upon in settlement of all or part of any claim within five business days from the receipt of the agreement by the insurer or from the date of the performance by the claimant of any conditions set by such agreement, whichever is later;

(6) failing to inform the insured of the policy provision or provisions under which payment is made;

(7) settling or attempting to settle a claim or part of a claim with an insured under actual cash value provisions for less than the value of the property immediately preceding the loss, including all appli-

cable taxes and license fees. In no case may an insurer be required to pay an amount greater than the amount of insurance;

(8) except where limited by policy provisions, settling or offering to settle a claim or part of a claim with an insured under replacement value provisions for less than the sum necessary to replace the damaged item with one of like kind and quality, including all applicable taxes, license, and transfer fees;

(9) reducing or attempting to reduce for depreciation any settlement or any offer of settlement for items not adversely affected by age, use, or obsolescence;

(10) reducing or attempting to reduce for betterment any settlement or any offer of settlement unless the resale value of the item has increased over the preloss value by the repair of the damage.

Sec. 57. [72A.205] [PROHIBITED PROVISIONS AND COVERAGES.]

No policy of insurance paying a death benefit that returns premiums or premiums plus interest in lieu of benefits may be issued in this state.

Sec. 58. [72A.33] [HEALTH CLAIMS; RIGHT OF APPEAL.]

An insured whose claim for health benefits is denied because the treatment or services for which the claim is made is claimed to be experimental, not medically necessary, or otherwise not generally accepted by the medical profession may appeal the denial to the commissioner.

The commissioner shall designate a staff member to review the denial of the claim and report to the commissioner. The party that denied the coverage has the burden of proving that the services or treatment are in fact experimental or not generally accepted by the medical profession. If the party fails to sustain its burden, the commissioner shall order the immediate payment of the claim. A decision under this provision may be appealed under chapter 14.

If the commissioner finds that the party has failed to sustain its burden of proof, each denial of similar claims on the basis of the experimental nature, lack of medical necessity, or lack of general acceptance of the treatment or services that occurs after the commissioner's decision is an unfair trade practice under sections 72A.17 to 72A.32.

If prior authorization is required before services or treatment can be rendered, then appeal of the denial of prior authorization may be made as provided in this section.

Sec. 59. [72B.135] [PUBLIC ADJUSTERS.]

Subdivision 1. [HOMEOWNER'S RIGHT TO CANCEL.] A homeowner who has entered into a contract with a public adjuster involving the business for which the person was licensed, has the right to cancel the contract within 48 hours after the contract has been signed. Cancellation is evidenced by the homeowner giving written notice of cancellation to the public adjuster at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the public adjuster and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the homeowner not to be bound by the contract.

Subd. 2. [WRITING REQUIRED; NOTICE OF RIGHT TO CANCEL; NOTICE OF CANCELLATION.] (a) Before entering a contract referred to in subdivision 1, the public adjuster must:

(1) furnish the homeowner with a statement in bold face type of a minimum size of ten points, in substantially the following form:

"You, the homeowner, may cancel this contract at any time within 48 hours after the contract has been signed between the homeowner and the public adjuster. See attached notice of cancellation form for an explanation of this right."; and

(2) furnish each homeowner, a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in bold face type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

.....

(enter date of contract)

If you do not want to go forward with the contract with the public adjuster, you may cancel the contract by mailing or delivering a

signed and dated copy of this cancellation notice or any other written notice, or send a telegram to (Name of Public Adjuster), at (Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the contract will be returned within ten business days following receipt by the public adjuster of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....

(date)

.....

(Homeowner's signature)"

Subd. 3. [RETURN OF PAYMENTS; COMPENSATION.] Within ten days after a contract referred to in subdivision 1 has been canceled, the public adjuster must tender to the homeowner any payments made by the homeowner and any note or other evidence of indebtedness. However, if the public adjuster has performed any emergency services within the 48 hour period, the public adjuster is entitled to compensation for such services. Emergency services shall mean the removal of water, boarding up a building, and reconnecting lights and heat.

Sec. 60. Minnesota Statutes 1986, section 359.03, is amended to read:

359.03 [SEAL; REGISTER.]

Subdivision 1. Every notary shall get an official seal, with which to authenticate official acts, and upon which shall be engraved the arms of this state, the words "notarial seal," and the name of the county for which appointed. ~~Such~~ The seal, with the notary's official register, shall be is exempt from execution; and, on death or removal from office, such register shall be deposited with the court administrator of the district court of the notary's county.

Subd. 2. All instruments ~~heretofore~~ duly made and executed before the effective date of this subdivision which have been acknowledged before a notary public as provided by law, but the seal used ~~thereon~~ has engraved on it "notary public," are hereby validated and legalized, and in case ~~such~~ the instruments are recorded, the recording is hereby validated and legalized, and all such instruments are validated to the same extent as though properly sealed at the time of their acknowledgment. This subdivision shall does not affect any action now pending in any of the courts of this state.

Subd. 3. The seal of every notary public after January 1, 1972, may be affixed by a stamp that will print a seal which legibly reproduces under photographic methods the seal of the state of Minnesota, the name of the notary, and the words "Notary Public;" the name of the county for which appointed, and the words "My commission expires," with the expiration date shown thereon. The seal shall must be a rectangular form of not more than three-fourths of an inch vertically by 2½ inches horizontally, with a serrated or milled edge border, and shall must contain the information required by this subdivision.

Sec. 61. Minnesota Statutes 1986, section 359.05, is amended to read:

359.05 [DATE OF EXPIRATION OF COMMISSION AND NAME TO BE ENDORSED.]

Each notary public so appointed, commissioned, and qualified, shall have power throughout this state to administer all oaths required or authorized to be administered in this state; to take and certify all depositions to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of attorney, and other instruments in writing, and to receive, make out, and record notarial protests.

Every notary public, except in cases provided in section 359.03, subdivision 3, taking an acknowledgment of an instrument, taking a deposition, administering an oath, or making a notarial protest, shall, immediately following the notary's signature to the jurat or certificate of acknowledgment, endorse the date of the expiration of the commission; such endorsement may be legibly written, stamped, or printed upon the instrument, but must be disconnected from the seal, and shall be substantially in the following form: "My commission expires, 19" Except in cases provided in section 359.03, subdivision 3, every notary public, in addition to signing the jurat or certificate of acknowledgment, shall, immediately following the signature and immediately preceding the official description, endorse thereon the notary's name with a typewriter or print the same legibly with a stamp or with pen and ink; provided that the failure so to endorse or print the name shall not invalidate any jurat or certificate of acknowledgment.

Sec. 62. [COMMERCE DEPARTMENT REPORT.]

Subdivision 1. [REPORT.] The commerce department shall conduct a study and report to the legislature by January 1, 1989, as to the cost of providing water damage coverage, defined in subdivision 2, on all homeowner's policies. Any insurers doing business in the state of Minnesota must provide such information that the commissioner determines is necessary to conduct this study. The report

shall also explore the cost of other methods of providing water damage coverage.

Subd. 2. [WATER DAMAGE.] "Water damage" means:

(1) flood, waves, overflow of a body of water, or spray from any of these, that results from a rainstorm event and that enters the insured's dwelling while still on the surface of the ground; or

(2) water that backs up through sewers or drains or overflows within a sump pump or other type of system designed to remove water from around a foundation.

Water damage does not include losses that are the direct result of the negligence of the insured.

Sec. 63. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall change the long-term care policy references "sections 62A.46 to 62A.56" to "sections 62A.46 to 62A.58" wherever they appear in Minnesota Statutes to reflect the additional provisions added by this act.

Sec. 64. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of this act remain valid.

Sec. 65. [REPEALER.]

(a) Minnesota Statutes 1986, sections 359.061, 359.07, and 359.071; and Minnesota Statutes 1987 Supplement, section 60A.23, subdivision 7, are repealed.

(b) Minnesota Rules, part 2725.0240, is repealed.

Sec. 66. [EFFECTIVE DATE CLARIFICATION.]

Laws 1987, chapter 337, sections 27, 28, 29, and 30, effective August 1, 1987, apply to delinquency proceedings commencing on or after August 1, 1987.

Sec. 67. [EFFECTIVE DATES.]

(a) Sections 1, 2, and 46, are effective the day following final enactment. (b) Section 28 is effective the day following final enactment and applies to: (1) policies in effect on that date; and (2) policies issued or renewed on or after that date. For purposes of

determining the severability of this paragraph, clauses (1) and (2) are separate provisions of law. (c) Section 34 is effective July 1, 1988. (d) Section 22 is effective August 1, 1988, and applies to policies issued or renewed after that date. (e) Sections 5 and 47 are effective January 1, 1989, and apply to policies issued or renewed after that date."

Delete the title and insert:

"A bill for an act relating to insurance; regulating the issuance of health and accident policies; liability policies; homeowners policies; no-fault auto policies; regulating trade practices; prohibiting the reduction of limits by the costs of defense in certain liability policies; requiring rented vehicle coverage in certain liability policies; providing for the liability of resident agents and others in certain circumstances; regulating rehabilitations and liquidations; limiting the application of the life and health guaranty association to policies and annuity contracts owned by Minnesota residents; regulating insurance agent continuing education; providing for the extraterritorial application of accident and health coverages; mandating certain accident and health and long-term care benefits; defining certain terms related to the payment of losses under fire insurance policies; regulating rented motor vehicle coverages; clarifying a certain term related to disability and income loss benefit under the no-fault automobile act; providing for the return of unearned life insurance premiums upon surrender of the policy; regulating collision damage waivers; regulating notaries public; regulating unfair settlement practices; requiring disclosure of coverage; requiring a water damage coverage cost report; amending Minnesota Statutes 1986, sections 60A.02, by adding a subdivision; 60A.08, by adding subdivisions; 60A.17, subdivision 10; 60A.1701, subdivisions 1 and 9; 60A.198, subdivision 1; 60A.205, by adding a subdivision; 60B.17, subdivision 2, and by adding subdivisions; 61A.011, subdivision 1; 61B.03, subdivision 6; 62A.01; 62A.46, subdivisions 2 and 4; 62A.54; 62B.02, subdivision 6; 65A.08, by adding a subdivision; 65A.11; 65A.33, subdivision 3; 65B.44, subdivision 3; 72A.20, by adding subdivisions; 359.03; and 359.05; Minnesota Statutes 1987 Supplement, sections 45.025, subdivision 8; 45.027, subdivision 7; 60A.17, subdivision 12; 60A.1701, subdivisions 5, 7, and 8; 61A.092, subdivision 3; 61B.02, subdivision 1; 62A.041; 62A.17, subdivision 2; 62A.27; 62A.46, subdivision 11; 62A.48, subdivisions 1, 2, and 7; 62A.50, subdivision 3; 62E.06, subdivision 1; 65B.15, subdivision 1; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.125, by adding a subdivision; 72A.20, subdivisions 15 and 17; and 72A.201, subdivision 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 62A; 65A; 72A; and 72B; repealing Minnesota Statutes 1986, sections 359.061; 359.07; and 359.071; Minnesota Statutes 1987 Supplement, sections 60A.23, subdivision 7; and Minnesota Rules, part 2725.0240."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1941, A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, subdivision 2.

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

The report was adopted.

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

H. F. No. 1948, A bill for an act relating to labor; providing comparable worth compensation for certain employees in semi-independent living service, developmental achievement center, and intermediate care facility for the mentally retarded programs; authorizing a study; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [COMPARABLE WORTH STUDY.]

The commissioner of the department of employee relations shall conduct or contract for a job evaluation study to determine the comparable worth value of direct care staff positions in intermediate care facilities for the mentally retarded, waived residential services, semi-independent living service programs, and developmental achievement centers that are licensed by the department of human services or by a county.

The study shall be completed by January 1, 1989.

Sec. 2. [SCOPE.]

The study shall consider the wages and benefits paid to employees in the settings described in section 1, as compared to those paid in the public, private, and educational sectors. The report should make

recommendations to the legislature on disparity of wages and benefits and recommend for consideration by the legislature possible methods for movement towards comparable worth wages and benefits by both the state and counties.

Sec. 3. [APPROPRIATIONS.]

\$ is appropriated from the general fund to the commissioner of employee relations for the purpose of the study specified in section 1."

Delete the title and insert:

"A bill for an act relating to labor; providing comparable worth compensation for certain employees in day activities centers, semi-independent living services, waived residential services, and intermediate care facilities for the mentally retarded; authorizing a study; appropriating money."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1952, A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 14, delete the new language and strike "for the purpose of"

Page 1, strike line 15

Page 1, line 16, strike "peanuts, cookies, or gum" and insert "and trunk highways"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1962, A bill for an act relating to commerce; prohibiting exclusion or modification of implied warranties of fitness and merchantability by sellers and installers of home heating systems; prohibiting limitation of damages or remedies for breach of an implied warranty in a contract for sale or installation of a home heating system; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 1, line 17, delete everything after the period and insert "A provision in a contract for the sale or installation of a home heating system that excludes or modifies implied warranties or that limits damages for breach of those warranties is unenforceable. Any such provision in the contract must be accompanied by an express statement that the provision does not apply in Minnesota."

Page 1, delete lines 18 to 22

Page 1, line 23, delete everything before "The"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1978, A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow and raven; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.015, subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means English sparrow, blackbird, ~~crow~~, starling, magpie, cormorant, common pigeon, and great horned owl.

Sec. 2. Minnesota Statutes 1986, section 97B.711, is amended by adding a subdivision to read:

Subd. 3. [CROW SEASON.] The commissioner shall set a crow season of 124 days each year. The remainder of the year crows may be taken if doing damage or about to do so.

Delete the title and insert:

"A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1980, A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]

Subdivision 1. [ADDITIONAL ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:

Route No. 254. Beginning at a point on Route No. 391 easterly of Blue Earth, thence extending in a general southerly direction to a point in or adjacent to Frost.

Subd. 2. [SUBSTITUTION.] The route established in subdivision 1 is substituted for Route No. 254 as contained and described in Minnesota Statutes 1986, section 161.115. Route No. 254 as contained and described in that section is discontinued and removed from the trunk highway system when an agreement to transfer jurisdiction of a portion of the old route has been signed by the commissioner of transportation and Faribault county and filed in the office of the commissioner.

Subd. 3. [DIRECTIONS TO REVISOR.] The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route

discontinued and removed from the trunk highway system according to subdivision 2.

Sec. 3. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 231.]

Subdivision 1. [ROUTE DISCONTINUED.] Route No. 231 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.

Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 231 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation and the city of Moorhead, and a copy of the agreement, signed by the commissioner and the presiding officer of the Moorhead city council, has been filed in the office of the commissioner.

Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement.

Sec. 4. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 296.]

Subdivision 1. [ROUTE DISCONTINUED.] Route No. 296 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.

Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 296 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation, the city of Rochester, and Olmsted county and a copy of the agreement, signed by the commissioner, the presiding officer of the Rochester city council, and chair of the Olmsted county board has been filed in the office of the commissioner.

Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "adding, deleting, and substituting routes on the trunk highway system;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1986, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1993, A bill for an act relating to education; requiring a state board of education rule on elementary school preparation time.

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

The report was adopted.

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

H. F. No. 1995, A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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

The report was adopted.

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

H. F. No. 2008, A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

Reported the same back with the following amendments:

Page 2, line 29, after the period, insert "The agreement must also state that, except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2."

Page 3, line 8, delete "Except for an"

Page 3, delete line 9

Page 3, line 10, delete "in section 10A.25, but not exceeding \$15,000."

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

The report was adopted.

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

H. F. No. 2037, A bill for an act relating to human services; implementing minority child heritage protection act; requiring minority councils to review placement data; requiring rule revision; planning for permanency; improving recruitment of minority adoptive and foster care families; designating recruitment specialist; requiring out-of-home placement reports; creating task force; requiring training of adoption and foster care families and workers; providing grants for support services; expanding definition of "relative" for purposes of placement priority; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256F.03, subdivision 8; 257.071, subdivisions 2, 3, and by adding a subdivision; 257.072; and 260.015, subdivision 13; Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6; proposing coding for new law in

Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 257.071, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6, is amended to read:

Subd. 6. [DUTIES.] The primary duties of the council shall be to:

(1) clarify for the legislature and state agencies the nature of tribal governments, the relationship of tribal governments to the Indian people of Minnesota;

(2) assist the secretary of state in establishing an election of at large members of the council;

(3) make recommendations to members of the legislature on desired and needed legislation for the benefit of the statewide Indian community and communicate to the members of the legislature when legislation has or will have an adverse effect on the statewide Indian community;

(4) provide, through the elected apparatus of the council, an effective conduit for programs, proposals, and projects to the legislature submitted by tribal governments, organizations, committees, groups, or individuals;

(5) provide a continuing dialogue with members of the appropriate tribal governments in order to improve their knowledge of the legislative process, state agencies, and governmental due process;

(6) assist in establishing Indian advisory councils in cooperation with state agencies delivering services to the Indian community;

(7) assist state agencies in defining what groups, organizations, committees, councils, or individuals are eligible for delivery of their respective services;

(8) assist in providing resources, tribal and other, in the delivery of services to the statewide Indian community;

(9) act as a liaison between local, state, and national units of government in the delivery of services to the Indian population of Minnesota;

(10) assist state agencies in the implementation and updating of studies of services delivered to the Indian community;

(11) provide, for the benefit of all levels of state government, a continuing liaison between those governmental bodies and duly elected tribal governments and officials;

(12) interreact with private organizations involved with Indian concerns in the development and implementation of programs designed to assist Indian people, insofar as they affect state agencies and departments;

(13) act as an intermediary, when requested and if necessary between Indian interests and state agencies and departments when questions, problems, or conflicts exist or arise;

(14) provide information for and direction to a program designed to assist Indian citizens to assume all the rights, privileges, and duties of citizenship, and to coordinate and cooperate with local, state, and national private agencies providing services to the Indian people;

(15) develop educational programs, community organization programs, leadership development programs, motivational programs, and business development programs for the benefit of Indian persons who have been, are, or will be subject to prejudice and discrimination; and

(16) cooperate and consult with appropriate commissioners and agencies to develop plans and programs to most effectively serve the needs of Indians; and

(17) review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for Indian children. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter.

Sec. 2. Minnesota Statutes 1986, section 3.9223, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(a) Advise the governor and the legislature on the nature of the issues and disabilities confronting Spanish-speaking people in this state including the unique problems encountered by Spanish-speaking migrant agricultural workers;

(b) Advise the governor and the legislature on statutes or rules necessary to insure Spanish-speaking people access to benefits and services provided to people in this state;

(c) Recommend to the governor and the legislature legislation

designed to improve the economic and social condition of Spanish-speaking people in this state;

(d) Serve as a conduit to state government for organizations of Spanish-speaking people in the state;

(e) Serve as a referral agency to assist Spanish-speaking people in securing access to state agencies and programs;

(f) Serve as a liaison with the federal government, local government units and private organizations on matters relating to the Spanish-speaking people of this state;

(g) Perform or contract for the performance of studies designed to suggest solutions to problems of Spanish-speaking people in the areas of education, employment, human rights, health, housing, social welfare and other related programs;

(h) Implement programs designed to solve problems of Spanish-speaking people when so authorized by other statute, rule or order;

(i) Review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for the children of Hispanic people. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter; and

(j) Publicize the accomplishments of Spanish-speaking people and the contributions made by them to this state.

Sec. 3. Minnesota Statutes 1986, section 3.9225, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(a) Advise the governor and the legislature on the nature of the issues confronting Black people in this state;

(b) Advise the governor and the legislature on statutes or rules necessary to insure Black people access to benefits and services provided to people in this state;

(c) Recommend to the governor and the legislature any revisions in the state's affirmative action program and any other steps that are necessary to eliminate underutilization of Blacks in the state's work force;

(d) Recommend to the governor and the legislature legislation

designed to improve the economic and social condition of Black people in this state;

(e) Serve as a conduit to state government for organizations of Black people in the state;

(f) Serve as a referral agency to assist Black people in securing access to state agencies and programs;

(g) Serve as a liaison with the federal government, local government units and private organizations on matters relating to the Black people of this state;

(h) Perform or contract for the performance of studies designed to suggest solutions to problems of Black people in the areas of education, employment, human rights, health, housing, social welfare and other related areas;

(i) Implement programs designed to solve problems of Black people when so authorized by other statute, rule or order; and

(j) Review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for Black children. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter; and

(k) Publicize the accomplishments of Black people and the contributions made by them to this state.

Sec. 4. Minnesota Statutes 1986, section 3.9226, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(1) advise the governor and the legislature on issues confronting Asian-Pacific people in this state, including the unique problems of non-English-speaking immigrants and refugees;

(2) advise the governor and the legislature of administrative and legislative changes necessary to ensure Asian-Pacific people access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Asian-Pacific people in the state's work force;

(4) recommend to the governor and the legislature legislation

designed to improve the economic and social condition of Asian-Pacific people in this state;

(5) serve as a conduit to state government for organizations of Asian-Pacific people in the state;

(6) serve as a referral agency to assist Asian-Pacific people in securing access to state agencies and programs;

(7) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Asian-Pacific people of this state;

(8) perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(9) implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;

(10) publicize the accomplishments of Asian-Pacific people and their contributions to this state;

(11) work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;

(12) supervise development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage, for use by Minnesota's export community; and

(13) cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries; and

(14) review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for Asian-Pacific children. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter.

Sec. 5. Minnesota Statutes 1986, section 256F.03, subdivision 8, is amended to read:

Subd. 8. [PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES.] "Placement prevention and family reunification services" means a continuum of services designed to help

children remain with their families or to facilitate reunification of children with their parents. Placement prevention and family reunification services available to a minority family must reflect and support family models that are accepted within the culture of the particular minority.

Sec. 6. [257.066] [RULES.]

By December 31, 1988, the commissioner of human services shall revise Minnesota Rules, parts 9545.0750 to 9545.0830 and parts 9560.0500 to 9560.0670, the rules for licensing child-placing agencies. The commissioner shall ensure that, as conditions of licensure, each child-placing agency meet the requirements of section 10, subdivisions 7 and 8; and keep records in compliance with sections 257.01 and 259.46.

Sec. 7. Minnesota Statutes 1986, section 257.071, subdivision 2, is amended to read:

Subd. 2. [SIX MONTH REVIEW OF PLACEMENTS.] There shall be an administrative review of the case plan of each child placed in a residential facility no later than 180 days after the initial placement of the child in a residential facility and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The case plan must be monitored and updated at each administrative review. As an alternative to the administrative review, the social service agency responsible for the placement may bring a petition as provided in section 260.131, subdivision 1a, to the court for review of the foster care to determine if placement is in the best interests of the child. This petition must be brought to the court within the applicable six months and is not in lieu of the requirements contained in subdivision 3 or 4.

Sec. 8. Minnesota Statutes 1986, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of subdivision 4, if the child has been placed in a residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within 18 months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, subdivision 1a, to determine if the placement is in the best interests of the child.

The case plan must be updated when a petition is filed and must include a specific plan for permanency.

Sec. 9. Minnesota Statutes 1986, section 257.071, is amended by adding a subdivision to read:

Subd. 7. [RULES.] By December 31, 1988, the commissioner shall revise Minnesota Rules, parts 9545.0010 to 9545.0269, the rules setting standards for family and group family foster care. The commissioner shall:

(1) require that, as a condition of licensure, foster care providers attend training on the importance of protecting cultural heritage within the meaning of Laws 1983, chapter 278; the Indian Child Welfare Act, Public Law Number 95-608; and the Minnesota Indian Family Preservation Act, sections 257.35 to 257.357; and

(2) review and, where necessary, revise foster care rules to reflect sensitivity to cultural diversity and differing lifestyles. Specifically, the commissioner shall examine whether space and other requirements discriminate against single-parent, minority, or low-income families who may be able to provide quality foster care reflecting the values of their own respective cultures.

Sec. 10. Minnesota Statutes 1986, section 257.072, is amended to read:

257.072 [RECRUITMENT OF FOSTER FAMILIES WELFARE OF MINORITY CHILDREN.]

Subdivision 1. [RECRUITMENT OF FOSTER FAMILIES.] Each authorized child placing agency shall make special efforts to recruit a foster family from among the child's relatives, except as authorized in section 260.181, subdivision 3, and among families of the same minority racial or minority ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations, utilizing local media and other local resources, and conducting outreach activities, and increasing the number of minority recruitment staff employed by the agency. The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Subd. 2. [MINORITY RECRUITMENT SPECIALIST.] The commissioner of human services shall designate a permanent professional staff position for a minority recruitment specialist in the department of human services. The minority recruitment specialist shall provide services to child-placing agencies seeking to recruit minority adoptive and foster care families and qualified minority professional staff. The minority recruitment specialist shall:

- (1) develop materials for use by the agencies in training staff;
- (2) conduct in-service workshops for agency personnel; and
- (3) provide consultation, technical assistance, and other appropriate services to agencies wishing to improve service delivery to minority populations.

Upon recommendation of the minority recruitment specialist, the commissioner may contract for portions of these services.

Subd. 3. [RECRUITMENT; DUTIES OF COMMISSIONER.] The commissioner of human services shall:

- (1) at least once each year, convene a statewide meeting of foster care and adoption recruiters. The meeting must include at least one workshop where techniques for recruiting minority families are analyzed for their effectiveness;
- (2) in cooperation with child-placing agencies, develop a cost-effective campaign using radio and television to recruit minority adoptive and foster families; and
- (3) require that agency staff people who work in the area of minority adoption and foster family recruitment have at least 24 hours of cultural sensitivity training during their first year, followed by at least 12 hours of cultural sensitivity training in each subsequent year.

Subd. 4. [OVERSIGHT.] The commissioner of human services shall:

- (1) monitor the recordkeeping, licensing, placement preference, recruitment, review, and reporting requirements of the minority child heritage protection act, Laws 1983, chapter 278; and
- (2) review and, where necessary, revise the department of human services Social Service Manual and Practice Guide to reflect the scope and intent of Laws 1983, chapter 278.

Subd. 5. [MINORITY PLACEMENTS.] On a quarterly basis, the commissioner shall provide to the Indian Affairs Council, the Council on Affairs of Spanish-Speaking People, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans the following summary data for all children from the Indian, Hispanic, Black, and Asian-Pacific cultures, respectively, who are in out-of-home placement: legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, and number of families from the child's own culture in the placement pool during

the period for which data is provided. The commissioner shall provide the required data for children who entered placement during the previous quarter and for children who are in placement at the end of the quarter. The commissioner shall provide data for children placed by an authorized child-placing agency and shall provide the data within 60 days of the end of the quarter for which the data are applicable.

Subd. 6. [ADVISORY TASK FORCE.] The commissioner of human services shall appoint an advisory task force on minority child welfare. The task force shall advise the commissioner on issues related to minority child welfare, including, but not limited to, adoption and foster care, the use of citizen review boards, infant mortality in minority communities, and placement prevention. Members of the task force shall include at least one representative from each council established under sections 3.922, 3.9223, 3.9225, and 3.9226; minority adoptive and foster parents; agency personnel working with minority children in placement or at risk of placement; and interested citizens. A majority of members must be minority adoptive or foster parents of minority children. The task force shall not expire but is otherwise governed by section 15.059.

Subd. 7. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3;

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children;

(4) have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives; and

(5) ensure that adoption and foster care workers attend training offered or approved by the department of human services regarding cultural diversity and the needs of special needs children.

Subd. 8. [REPORTING REQUIREMENTS.] Each authorized child-placing agency shall provide on a quarterly basis the following summary data to the commissioner of human services for children from the Indian, Hispanic, Black, and Asian-Pacific cultures who

were placed out of home by the agency: legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, and number of families from the child's own culture in the placement pool during the period for which data is provided. The agency shall provide the required data for children who were placed during the previous quarter and for children who are in placement at the end of the quarter. The agency must provide the data within 30 days of the end of the quarter for which the data is applicable.

Sec. 11. [257.0725] [ANNUAL REPORT.]

By June 1 of each year, the commissioner of human services shall publish a report on children in out-of-home placement during the previous calendar year. The report shall include, by county and statewide, information on legal status, living arrangement, age, sex, race, accumulated length of time in placement, and other demographic information deemed appropriate on all children in out-of-home placement. Out-of-home placement includes placement in any facility by an authorized child-placing agency.

Sec. 12. [257.073] [ASSESSMENT AND TRAINING OF FAMILIES AND STAFF.]

The commissioner of human services shall:

(1) work with representatives of each minority council established under sections 3.922, 3.9223, 3.9225, and 3.9226 to develop:

(a) criteria for use in determining whether a prospective adoptive or foster family is "knowledgeable and appreciative" as the term is used in section 260.181, subdivision 3. The criteria must reflect a sensitivity and understanding of the uniqueness of each minority culture;

(b) a standardized training curriculum for adoption and foster care workers who work with minority and special needs children; and

(c) a training curriculum for family and extended family members of minority adoptive and foster children. The curriculum must address issues relating to cross-cultural placements as well as issues that arise after a foster or adoptive placement is made;

(2) develop and provide to agencies an assessment tool to be used in combination with group interviews and other preplacement activities to evaluate prospective adoptive and foster families. The tool must assess problem-solving skills; identify parenting skills; and, when required by section 260.181, subdivision 3, evaluate the

degree to which the prospective family is knowledgeable and appreciative of racial and ethnic differences; and

(3) provide or approve training for adoption workers, family-based providers, foster care workers, and administrators who work in the area of out-of-home placement. Training must address the following subjects:

(a) developing and maintaining sensitivity to other cultures;

(b) assessing values and their cultural implications; and

(c) implementing the minority child heritage protection act, Laws 1983, chapter 278, and the Minnesota Indian family preservation act, sections 257.35 to 257.357.

Sec. 13. [257.075] [GRANTS FOR SUPPORT SERVICES.]

The commissioner of human services may make grants to authorized child-placing agencies that provide services to minority children in out-of-home placements. Support services may include, but are not limited to:

(1) development of foster and adoptive placement resources, including recruitment, licensing, and support;

(2) advocacy in working with the county and private social service agencies, and activities to help provide access to agency services;

(3) family and community involvement strategies to combat child abuse and chronic neglect of children;

(4) coordinated child welfare and mental health services to minority families;

(5) preadoption, postadoption, and foster care support groups for minority children and prospective adoptive and foster families;

(6) the use of minority foster parents as continuing support for children returned to birth homes;

(7) information, counseling, and support groups to assist minority children approaching age 18 in setting permanent goals for independent living;

(8) minority adolescent support groups for children in long-term foster care, new adoptive placements, and nonminority homes where identity issues threaten the adoptive relationship and adjustment;

(9) services listed at section 256F.07; and

(10) other activities and services approved by the commissioner that further the goals of the minority heritage preservation act.

Sec. 14. Minnesota Statutes 1986, section 260.181, subdivision 3, is amended to read:

Subd. 3. [PROTECTION OF RACIAL OR ETHNIC HERITAGE, OR RELIGIOUS AFFILIATION.] The policy of the state is to ensure that the best interests of children are met by requiring due consideration of the child's minority race or minority ethnic heritage in foster care placements.

The court, in transferring legal custody of any child or appointing a guardian for the child under the laws relating to juvenile courts, shall place the child, in the following order of preference, in the absence of good cause to the contrary, in the legal custody or guardianship of an individual who (a) is the child's relative, or if that would be detrimental to the child or a relative is not available, who (b) is of the same racial or ethnic heritage as the child, or if that is not possible, who (c) is knowledgeable and appreciative of the child's racial or ethnic heritage. The court may require the county welfare agency to continue efforts to find a guardian of the child's minority racial or minority ethnic heritage when such a guardian is not immediately available. For purposes of this subdivision, "relative" includes members of a child's extended family and important friends with whom the child has resided or had significant contact.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall order placement of the child with an individual who meets the genetic parent's religious preference. Only if no individual is available who is described in clause (a) or (b) may the court give preference to an individual described in clause (c) who meets the parent's religious preference.

Sec. 15. [APPROPRIATION.]

\$ is appropriated to the commissioner of human services for purposes of sections 1 to 14.

Sec. 16. [REPEALER.]

Minnesota Statutes 1986, section 257.071, subdivision 6, is repealed."

Amend the title as follows:

Page 1, line 17, delete "260.015, subdivision 13" and insert "260.181, subdivision 3"

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2055, A bill for an act relating to education; making changes in the budget law relating to special school district No. 1, Minneapolis; amending Laws 1959, chapter 462, section 3, subdivision 4, as amended.

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

The report was adopted.

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

H. F. No. 2114, A bill for an act relating to human services; refining the comprehensive mental health act; transferring an appropriation; amending Minnesota Statutes 1986, section 256E.12, subdivisions 1 and 2; Minnesota Statutes 1987 Supplement, sections 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 256B.02, subdivision 8; 256E.12, subdivision 3; and Laws 1987, chapter 403, article 2, section 34.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, 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 on the same basis as coverage for other benefits for at least 80 percent 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 or 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 non-profit 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~~ be limited to 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 item (1), (2) or (3).

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 2. Minnesota Statutes 1987 Supplement, 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~~ or 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~~ be limited to 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.

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT ACTIVITIES.] "Case management activities" means activities that are ~~part of~~ coordinated with the community support services program as defined in subdivision 6 and are designed to help people with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management activities include ~~obtaining a diagnostic assessment;~~ developing an individual community support plan, referring the person to needed mental health and other services, ~~coordinating~~ ensuring coordination of services, and monitoring the delivery of services.

Sec. 4. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGER.] "Case manager" means an individual employed by the county or other entity authorized by the county board to provide the case management activities as part of a community support services program specified in sections 245.462, subdivision 3; 245.471; and 245.475. A case manager must be qualified at the mental health practitioner level with a bachelors degree in one of the behavioral sciences or related fields from an accredited college or university and have at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness, must be skilled in the process of identifying and assessing a wide range of client needs, and must be knowledgeable about local community resources and how to use those resources for

the benefit of the client. The case manager must meet in person with a mental health professional at least once each month to obtain clinical supervision of the case manager's activities. Case managers with a bachelors degree but without 2,000 hours of supervised experience in the delivery of services to persons with mental illness must complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of persons with serious and persistent mental illness and must receive clinical supervision regarding individual service delivery from a mental health professional at least once each week until the requirement of 2,000 hours of supervised experience is met. Clinical supervision must be documented in the client record.

Sec. 5. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help people with serious and persistent mental illness to function and remain in the community. A community support services program includes case management activities provided to persons with serious and persistent mental illness;

- (1) client outreach,
- (2) medication management,
- (3) assistance in independent living skills,
- (4) development of employability and supportive work opportunities,
- (5) crisis assistance,
- (6) psychosocial rehabilitation,
- (7) help in applying for government benefits, and
- (8) the development, identification, and monitoring of living arrangements.

The community support services program must be coordinated with the case management activities specified in sections 245.462, subdivision 3; 245.471; and 245.475.

Sec. 6. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 17, is amended to read:

Subd. 17. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to persons with mental illness who is qualified in at least one of the following ways:

(1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university, and has at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness;

(2) has at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness;

(3) is a graduate student in one of the behavioral sciences or related fields and is formally assigned by an accredited college or university to an agency or facility for clinical training by an accredited college or university; or

(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university with and has less than 4,000 hours post-master's experience in the treatment of mental illness.

Sec. 7. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 18, is amended to read:

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse with a master's degree in one of the behavioral sciences or related fields from an accredited college or university or its equivalent, who is licensed under sections 148.171 to 148.285, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and

certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness.

Sec. 8. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 19, is amended to read:

Subd. 19. [MENTAL HEALTH SERVICES.] "Mental health services" means at least all of the treatment services and case management activities that are provided to persons with mental illness and are described in sections ~~245.468~~ 245.461 to ~~245.476~~ 245.486.

Sec. 9. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) A "person with acute mental illness" means a person who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of sections ~~245.461~~ to ~~245.486~~ case management and community support services, a "person with serious and persistent mental illness" means a person who has a mental illness and meets at least one of the following criteria:

(1) the person has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months;

(2) the person has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months;

(3) the person:

(i) has had a history of recurring inpatient or residential treatment episodes of a frequency described in clause (1) or (2), but not within the preceding 24 months. There must also be a diagnosis of schizophrenia, bipolar disorder, major depression, or borderline personality disorder;

(ii) indicates a significant impairment in functioning; and

(iii) has a written opinion of from a mental health professional stating that the person is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless an ongoing community support services program is provided; or

(4) the person has been committed by a court as a mentally ill person under chapter 253B.

Sec. 10. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 21, is amended to read:

Subd. 21. [OUTPATIENT SERVICES.] "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional to persons with a mental illness who live outside a hospital or residential treatment setting. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Sec. 11. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 23, is amended to read:

Subd. 23. [RESIDENTIAL TREATMENT.] "Residential treatment" means a 24-hour-a-day residential program under the clinical supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center, which must be licensed as a residential treatment facility for mentally ill persons with mental illness under Minnesota Rules, parts 9520.0500 to 9520.0690 for adults, 9545.0900 to 9545.1090 for children, or other rule adopted by the commissioner.

Sec. 12. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 25, is amended to read:

Subd. 25. [CLINICAL SUPERVISION.] "Clinical supervision," when referring to the responsibilities of a mental health professional, means the oversight responsibility of a mental health professional for individual treatment plans, and individual service delivery, and program activities including that provided by the case manager. Clinical supervision may must be accomplished by full or

part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and evidence of input into service delivery and program development by entries in the client's record regarding supervisory activities.

Sec. 13. Minnesota Statutes 1987 Supplement, section 245.465, is amended to read:

245.465 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local mental health service proposal approved by the commissioner. The county board must:

(1) develop and coordinate a system of affordable and locally available mental health services in accordance with sections 245.466 245.461 to 245.474 245.486;

(2) provide for case management services to persons with serious and persistent mental illness in accordance with section 245.475 sections 245.462, subdivisions 3 and 4; 245.471; 245.475; and 245.486;

(3) provide for screening of persons specified in section 245.476 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center; and

(4) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.461 to 245.486.

Sec. 14. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board in each county is responsible for using all available resources to develop and coordinate a system of locally available and affordable mental health services. The county board may provide some or all of the mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center under section 246.57 to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full

implementation of sections 245.461 to 245.486 during the period July 1, 1987 to January 1, 1990. County boards must develop fully each of the treatment services and management activities prescribed by sections 245.461 to 245.486 by January 1, 1990, according to the priorities established in section 245.464 and the local mental health services proposal approved by the commissioner under section 245.478.

Sec. 15. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 2, is amended to read:

Subd. 2. [MENTAL HEALTH SERVICES.] The mental health service system developed by each county board must include the following ~~treatment~~ services:

(1) education and prevention services in accordance with section 245.468;

(2) emergency services in accordance with section 245.469;

(3) outpatient services in accordance with section 245.470;

(4) community support program services in accordance with sections 245.471 and 245.475;

(5) residential treatment services in accordance with section 245.472;

(6) acute care hospital inpatient treatment services in accordance with section 245.473;

(7) regional treatment center inpatient services in accordance with section 245.474; and

(8) screening in accordance with section 245.476; and

(9) case management in accordance with sections 245.462, subdivision 3; 245.471; and 245.475.

Sec. 16. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 5, is amended to read:

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish a local mental health advisory council or mental health subcommittee of an existing advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of a person with mental illness, one mental health professional, and one community support services program representative. The local mental health

advisory council or mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local advisory council or mental health subcommittee of an existing advisory council shall arrange for input from the regional treatment center review board center's mental illness program unit regarding coordination of care between the regional treatment center and community-based services. The county board shall consider the advice of its local mental health advisory council or mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Sec. 17. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, outpatient treatment, community support services, residential treatment, acute care hospital inpatient treatment, or regional treatment center inpatient treatment must inform each of its clients with serious and persistent mental illness of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

Sec. 18. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 5. [INFORMATION FOR BILLING.] Each provider of outpatient treatment, community support services, emergency services, residential treatment, or acute care hospital inpatient treatment must include the name and home address of each client for whom services are included on a bill submitted to a county, if the client has consented to the release of that information and if the county requests the information. Each provider must attempt to obtain each client's consent to include the client's name and home address on the bill, explaining that the information can only be released with the client's consent, must be used only for purposes of payment and maintaining provider accountability, and must document the attempt in the client's record.

Sec. 19. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 6. [RESTRICTED ACCESS TO DATA.] The county board shall establish procedures to ensure that the names and addresses of persons receiving mental health services are disclosed only to:

(1) county employees who are specifically responsible for determining county of financial responsibility or making payments to providers; and

(2) staff who provide treatment services or case management and their clinical supervisors.

A person who releases mental health data on individuals submitted under sections 17 and 18 to persons other than those specified in this subdivision, or uses this data for purposes other than those stated in sections 17 and 18, results in being civilly or criminally liable under the standards in sections 13.08 or 13.09.

Sec. 20. Minnesota Statutes 1987 Supplement, section 245.469, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services provide immediate direct access to a mental health ~~professionals~~ professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who is under the receives clinical supervision of from a mental health professional. Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 21. Minnesota Statutes 1987 Supplement, section 245.471, subdivision 2, is amended to read:

Subd. 2. [CASE MANAGEMENT ACTIVITIES.] (a) By January 1, 1989, the county board shall develop case management activities must be developed as part of the community support program available to for all persons with serious and persistent mental illness residing in the county who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must at a minimum qualify as a mental health practitioner meet the requirements in section 245.462, subdivision 4.

(b) All providers of case management activities must develop an individual community support plan. The individual community support plan must state for each of their clients:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

- (3) a schedule for each activity; and
- (4) the frequency of face-to-face client contacts, as appropriate to client need and the implementation of the community support plan.

The case manager must develop an individual community support plan ~~must incorporate for each client that incorporates the client's individual treatment plan.~~ The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed every 90 days after it is developed. The case manager is responsible for developing the individual community support plan based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the person with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual community support plan.

(c) The client's individual community support plan must state:

- (1) the goals of each service;
 - (2) the activities for accomplishing each goal;
 - (3) a schedule for each activity; and
 - (4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the community support plan.
- (d) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the community support program as well as other mental health services.

Sec. 22. Minnesota Statutes 1987 Supplement, section 245.471, subdivision 3, is amended to read:

Subd. 3. [DAY TREATMENT ACTIVITIES SERVICES PROVIDED.] (a) By July 1, 1989, day treatment activities services must be developed as a part of the community support program available to persons with serious and persistent mental illness residing in the county. Day treatment services must be available to persons with serious and persistent mental illness residing in the county as part of the community support program of each county. Clients may be required to pay a fee. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;

(2) provide family and community support;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need; and

(4) establish fee schedules approved by the county board that are based on a client's ability to pay.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support program for clients who would otherwise need day treatment services;

(2) ~~that~~ day treatment, if included, would be duplicative of other components of the community support program; and

(3) ~~that~~ county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Sec. 23. Minnesota Statutes 1987 Supplement, section 245.472, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of residential services must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional. Persons employed in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, in the capacity of program director as of July 1, 1987, in accordance with Minnesota Rules, parts 9520.0500 to 9520.0690, may be allowed to continue providing clinical supervision within a facility for a period of four years beginning July 1, 1987, provided they continue to be employed as a program director in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.

Sec. 24. Minnesota Statutes 1987 Supplement, section 245.475, subdivision 1, is amended to read:

Subdivision 1. [~~CLIENT ELIGIBILITY CASE MANAGEMENT.~~] By January 1, 1989, the county board shall provide case management and other appropriate community support services to all persons each person with serious and persistent mental illness who requests services or is referred by a provider under section 17. Case management services provided to people with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under section 256B.02, subdivision 8.

Sec. 25. Minnesota Statutes 1987 Supplement, section 245.475, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF CASE MANAGER NOTIFICATION OF CASE MANAGEMENT ELIGIBILITY.] The county board shall ~~designate a~~ notify the client of the person's potential eligibility for case ~~manager management~~ services within five working days after receiving an application for community support services or immediately after authorizing payment for residential, acute care hospital inpatient, or regional treatment center services under section 245.476 a request from an individual or a referral from a provider under section 17.

The county board shall send a written notice to the ~~applicant~~ client and the ~~applicant's~~ client's representative, if any, that identifies the designated case ~~manager management~~ providers.

Sec. 26. Minnesota Statutes 1987 Supplement, section 245.476, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] By No later than January 1, 1989 1991, the county board shall screen all persons before they may be admitted for treatment of mental illness to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. Screening prior to admission must occur within ten days. If a person is admitted for treatment of mental illness on an emergency basis to a residential facility or acute care hospital or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five days of the admission. Persons must be screened within ten days before or within five days after admission to ensure that:

- (1) an admission is necessary,
- (2) the length of stay is as short as possible consistent with individual client need, and
- (3) a the case manager, if assigned, is immediately assigned to individuals with serious and persistent mental illness and developing an individual community support plan is developed.

The screening process and placement decision must be documented in the client's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards specified in clauses (1) to (3).

Sec. 27. Minnesota Statutes 1987 Supplement, section 245.477, is amended to read:

245.477 [APPEALS.]

Any person who ~~applies for~~ requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of application the request and each time the community service plan is reviewed. Any person whose ~~application request~~ request for mental health services under sections ~~245.468 245.461 to 245.476 245.486~~ is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated may contest that action before the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 28. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 1, is amended to read:

Subdivision 1. [TIME PERIOD.] The first local mental health proposal period is from July 1, 1988, to December 31, 1989. The county board shall submit its first proposal to the commissioner by January 1, 1988. Subsequent proposals must be on the same two-year cycle as community social service plans and must satisfy the requirement of the community social service plan for the mental illness target population as required by section 256E.09 if the proposal complies with sections 245.461 to 245.486. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner.

Sec. 29. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 2, is amended to read:

Subd. 2. [PROPOSAL CONTENT.] The local mental health proposal must include:

(1) the local mental health advisory council's or mental health subcommittee of an existing advisory council's report on unmet needs and any other needs assessment used by the county board in preparing the local mental health proposal;

(2) a description of the local mental health advisory council's or the mental health subcommittee of an existing advisory council's involvement in preparing the local mental health proposal and methods used by the county board to obtain participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services

listed in sections 245.468 to 245.476, and actual expenditures ~~and revenues~~ for each mental health service;

(4) for the first proposal period only, information for the year during which the proposal is being prepared:

(i) a description of the current mental health system identifying each mental health service listed in sections 245.468 to 245.476;

(ii) a description of each service provider, including a listing of the professional qualifications of the staff involved in service delivery, that is either the sole provider of one of the ~~treatment~~ mental health services ~~or management activities~~ described in sections 245.468 to 245.476 or that provides over \$10,000 of mental health services per year for this county;

(iii) a description of how the mental health services in the county are unified and coordinated;

(iv) the estimated number of clients receiving each mental health service;

(v) estimated expenditures ~~and revenues~~ for each mental health service; and

(5) the following information describing how the county board intends to meet the requirements of sections 245.461 to 245.486 during the proposal period:

(i) specific objectives and outcome goals for each mental health service listed in sections 245.468 to 245.476;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the ~~treatment~~ mental health services ~~or management activities~~ described in sections 245.468 to 245.476 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery for this county;

(iii) a description of how the mental health services in the county will be unified and coordinated;

(iv) the estimated number of clients who will receive each mental health service; and

(v) estimated expenditures ~~and revenues~~ for each mental health service and revenues for the entire proposal.

Sec. 30. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 9, is amended to read:

Subd. 9. [PLAN AMENDMENT.] If the county board finds it necessary to make significant changes in the approved local proposal, it must present the proposed changes to the commissioner for approval at least ~~60~~ 30 days before the changes take effect. "Significant changes" means:

(1) the county board proposes to provide a mental health service through a provider other than the provider listed for that service in the approved local proposal;

(2) the county board expects the total annual expenditures for any single mental health service to vary more than ten percent or \$5,000, whichever is greater, from the amount in the approved local proposal;

(3) the county board expects a combination of changes in expenditures per mental health service to exceed more than ten percent of the total mental health services expenditures; or

(4) the county board proposes a major change in the specific objectives and outcome goals listed in the approved local proposal.

Sec. 31. Minnesota Statutes 1987 Supplement, section 245.479, is amended to read:

245.479 [COUNTY OF FINANCIAL RESPONSIBILITY.]

For purposes of ~~section 245.476~~ sections 245.461 to 245.486, the county of financial responsibility is ~~the same as that for community social services determined under section 256E.08, subdivision 7 256G.02, subdivision 4.~~ Disputes between counties regarding financial responsibility must be resolved by the commissioner in accordance with ~~section 256D.18, subdivision 4~~ section 256G.09.

Sec. 32. Minnesota Statutes 1987 Supplement, section 245.482, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REPORTS.] The commissioner shall develop a unified format for a ~~semiannual~~ an annual program report that will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486 and section 256E.10. The county board shall submit a completed program report in the required format ~~no later than 75 days after each six-month period by~~ March 15 of each year.

Sec. 33. Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion prior to reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain.

Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and X-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over-the-counter drug identified by the commis-

sioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifi-

cally indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act;

(12) Diagnostic, screening, and preventive services. "Preventive services" include services related to pregnancy, including services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome. Preventive services available to a woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance;

(13) Health care prepayment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act. For purposes of obtaining Medicare part B, expenditures may be made even if federal funding is not available;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care

when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care assistant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care assistants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies;

(18) To the extent authorized by rule of the state agency, case management services to persons with serious and persistent mental illness;

(19) To the extent authorized by rule of the state agency, case management services to persons with brain injuries;

(20) Hospice care services under Public Law Number 99-272, section 9505, to the extent authorized by rule; and

(21) Day treatment services as specified in sections 245.462, subdivision 8, and 245.471, subdivision 3, that are provided under contract with the county board; and

(22) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under Laws 1986, chapter 394, sections 8 to 20. The commissioner shall include chemical dependency services in the state medical assistance plan for federal reporting purposes, but payment must be made under Laws 1986, chapter 394, sections 8 to 20. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before medical assistance reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list. The list and the criteria and standards used to formulate it are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether prior authorization is required for

a health service or a second medical opinion is required for an elective surgery is not subject to administrative appeal.

Sec. 34. Minnesota Statutes 1986, section 256E.12, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall establish an experimental a statewide program to assist counties in providing services to chronically mentally ill persons with serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c). The commissioner shall make grants to counties to establish, operate, or contract with private providers to provide services designed to help chronically mentally ill persons with serious and persistent mental illness remain and function in their own communities. Grants received pursuant to this section may be used to fund innovative community support services programs; relating to physical fitness programs designed as part of a mental health treatment plan as specified in section 245.462, subdivision 6, and case management activities that cannot be billed to the medical assistance program under section 256B.02, subdivision 8.

Sec. 35. Minnesota Statutes 1986, section 256E.12, subdivision 2, is amended to read:

Subd. 2. To apply for a grant a county board shall submit an application and budget for the use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. A county receiving a grant under this section shall finance at least ten percent of the cost of services for chronically mentally ill persons with serious and persistent mental illness from local resources, which may include private contributions and federal money.

Sec. 36. Minnesota Statutes 1987 Supplement, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services for chronically mentally ill to persons with serious and persistent mental illness. The commissioner shall promulgate emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping chronically mentally ill persons with serious and persistent mental illness remain and function in their own communities. The experimental program shall expire no later than June 30, 1989.

Sec. 37. Laws 1987, chapter 403, article 2, section 34, is amended to read:

Sec. 34. [245.48] [MAINTENANCE OF EFFORT.]

Counties must continue to spend for mental health services according to generally accepted budgeting and accounting principles an amount equal to the total expenditures shown in the county's approved 1987 Community Social Services Act plan under "State CSSA, Title XX and County Tax" for services to persons with mental illness plus the ~~total~~ comparable figure for Rule 5 facilities under target populations other than mental illness in the approved 1987 CSSA plan.

Sec. 38. [TRANSFER.]

Of the amount appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 5, for state mental health grants for fiscal year 1988, \$1,750,000 is transferred to fiscal year 1989 and \$250,000 for information systems is transferred to the state systems account established in section 256.014, subdivision 2.

Sec. 39. [EFFECTIVE DATE.]

Section 38 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, after "sections" insert "62A.152, subdivision 2; 62D.102;"

Page 1, line 10, after the first semicolon, insert "245.472, subdivision 2;"

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

The report was adopted.

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

H. F. No. 2115, A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

Reported the same back with the following amendments:

Page 2, line 7, after the first "of" insert "Minnesota Statutes, chapter 44,"

Page 2, delete lines 10 and 11

Page 2, line 12, delete "(3)" and insert "(2)"

Page 2, line 16, delete "(4)" and insert "(3)"

Page 2, line 20, after "4," insert "or" and delete "; or"

Page 2, line 21, delete "197.46"

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

The report was adopted.

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

H. F. No. 2125, A bill for an act relating to retirement; providing for the funding of certain retirement fund deficiencies; amending Minnesota Statutes 1986, sections 275.125, by adding a subdivision; and 354A.12, subdivision 2, and by adding a subdivision.

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

The report was adopted.

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

H. F. No. 2126, A bill for an act relating to human services; prohibiting reduction of benefits to persons receiving ERISA services; requiring HMO subscriber contracts and plans of health coverage that provide dependent coverage to cover dependents not residing with the covered employee; providing a time period within which the state agency may file and enforce a lien; providing that certain items must not be included as cash or liquid assets in determining medical assistance eligibility; providing that certain aliens are eligible to receive medical assistance; modifying eligibility criteria for supplemental aid recipients and applicants; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 256B.14, subdivision 2; 256D.35, by adding a subdivision; and 256D.37, subdivision 2, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.015, subdivision

2; 256.936; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reported the same back with the following amendments:

Page 1, after line 24, insert:

"Section 1. [62A.047] [DEPENDENT COVERAGE.]

A policy of accident or sickness which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.

Sec. 2. [62C.143] [DEPENDENT COVERAGE.]

A subscriber contract of a nonprofit health service plan corporation which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care."

Page 1, line 32, after the period insert "Coverage under this section shall apply only if the dependent child resides within the service area of the health maintenance organization or if the dependent child is a birth or legally adopted child."

Page 3, line 17, delete "from" and insert "who are" and delete "up to" and insert "or older but less than"

Page 3, line 24, after the stricken period insert "The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes six years old."

Page 6, line 22, strike everything after "(c)"

Page 6, line 23, strike "choose a prepaid health plan by January 15, 1988."

Page 9, line 1, delete the new language and insert "; the methodology for calculating the"

Page 9, line 2, delete "calculating" and after "income" insert "shall be as"

Page 11, line 21, strike "a semiannual" and insert "an"

Page 11, line 31, strike "monthly" and after "care" insert "in three consecutive months"

Page 11, line 33, strike "monthly" and insert "quarterly"

Page 11, line 34, strike "monthly" and insert "quarterly"

Page 14, after line 25, insert:

"Sec. 12. Minnesota Statutes 1986, section 256B.08, is amended to read:

256B.08 [APPLICATION.]

Subdivision 1. [APPLICATION PROCESS.] An applicant for medical assistance ~~hereunder~~, or a person acting in the applicant's behalf, shall file an application with a county local agency in such the manner and form as ~~shall~~ be prescribed by the state agency. When a married applicant resides in a nursing home or applies for medical assistance for nursing home services, the county local agency shall consider an application on behalf of the applicant's spouse only upon specific request of the applicant or upon specific request of the spouse and separate filing of an application.

Subd. 2. [EXPEDITED REVIEW FOR PREGNANT WOMEN.] A pregnant woman who may be eligible for assistance under section 256B.06, subdivision 1, shall receive an appointment for eligibility determination no later than five working days from the date of her request for assistance from the local agency. The local agency shall expedite processing her application for assistance and shall make a determination of eligibility on a completed application no later than ten working days following the applicant's initial appointment. The local agency shall assist the applicant to provide all necessary information and documentation in order to process the application within the time period required under this subdivision. The state agency shall provide for the placement of applications for medical assistance in eligible provider offices, community health offices, and Women, Infants and Children (WIC) program sites.

Sec. 13. Minnesota Statutes 1987 Supplement, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all applicants, except (1) patients transferred from other

certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (c); (4) individuals not eligible for medical assistance whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have their nursing home care paid for indefinitely by the veteran's administration; or (6) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. ~~The cost for screening applicants who are receiving medical assistance must be paid by the medical assistance program.~~ The total screening cost for each county for applicants who are not eligible for medical assistance and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). For all individuals regardless of payment source, if delay-of-screening timelines are not met because a county is late in screening an individual who meets the delay-of-screening criteria, the county is solely responsible for paying the cost of the preadmission screening. Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.

Page 15, after line 33, insert:

"Sec. 15. Minnesota Statutes 1986, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas shall may include one urban, one suburban, and at least one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Sec. 16. Minnesota Statutes 1986, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (a) persons eligible for medical assistance according to section 256B.06, subdivision 1, paragraphs (1) and (2); and (b) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Sec. 17. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) who is a resident of Minnesota; whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B; and whose equity in resources is not in excess of \$1,000 per assistance unit. Exempt real and liquid assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.

Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

General assistance medical care shall not be available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance."

Page 22, after line 2, insert:

"Sections 1, 2, 3, and 5 apply to any policy, plan, or contract issued or renewed on or after the date following final enactment."

Page 22, line 3, delete "2" and insert "4"

Page 22, line 7, delete "2" and insert "4"

Page 22, after line 12, insert:

"The changes in section 10, clauses (6) and (13) are effective January 1, 1989.

Sections 18 to 29 are effective January 1, 1989."

Renumber remaining sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 12, after the semicolon insert "requiring nursing and boarding care homes to pay screening costs monthly for residents and applicants for residence; allowing other persons to request screening and pay screening costs on a sliding fee scale;"

Page 1, line 15, after "subdivisions;" insert "256B.08;" and after "2;" insert "256B.69, subdivisions 3 and 4;"

Page 1, line 20, after the semicolon insert "256B.091, subdivision 4; 256D.03, subdivision 3;"

Page 1, line 22, delete "chapter" and insert "chapters 62A; 62C; and"

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

The report was adopted.

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

H. F. No. 2127, A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5; and 62D.18; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.02, is amended by adding a subdivision to read:

Subd. 15. "Net worth" means admitted assets, as defined in section 15, minus liabilities.

Sec. 2. Minnesota Statutes 1986, section 62D.02, is amended by adding a subdivision to read:

Subd. 16. "Affiliate" means a person or entity controlling, controlled by, or under common control with the person or entity.

Sec. 3. Minnesota Statutes 1986, section 62D.03, subdivision 4, is amended to read:

Subd. 4. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) a copy of the basic organizational document, if any, of the applicant and of each major participating entity; such as the articles of incorporation, or other applicable documents, and all amendments thereto;

(b) a copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant and of each major participating entity;

(c) a list of the names, addresses, and official positions of the following:

(1) all members of the board of directors, or governing body of the local government unit, and the principal officers and shareholders of the applicant organization; and

(2) all members of the board of directors, or governing body of the local government unit, and the principal officers of the major participating entity and each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;

The commissioner may by rule identify persons included in the term "principal officers";

(d) a full disclosure of the extent and nature of any contract or financial arrangements between the following:

(1) the health maintenance organization and the persons listed in clause (c)(1);

(2) the health maintenance organization and the persons listed in clause (c)(2);

(3) each major participating entity and the persons listed in clause (c)(1) concerning any financial relationship with the health maintenance organization; and

(4) each major participating entity and the persons listed in clause (c)(2) concerning any financial relationship with the health maintenance organization;

(e) the name and address of each participating entity and the agreed upon duration of each contract or agreement;

(f) a copy of the form of each contract binding the participating entities and the health maintenance organization. Contractual provisions shall be consistent with the purposes of sections 62D.01 to 62D.29, in regard to the services to be performed under the contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health maintenance organization, the nature and extent of risk sharing permissible, and contractual termination provisions;

(g) a copy of each contract binding major participating entities and the health maintenance organization. Contract information filed with the commissioner shall be confidential and subject to the provisions of section 13.37, subdivision 1, clause (b), upon the request of the health maintenance organization.

Upon initial filing of each contract, the health maintenance organization shall file a separate document detailing the projected annual expenses to the major participating entity in performing the contract and the projected annual revenues received by the entity from the health maintenance organization for such performance. The commissioner shall disapprove any contract with a major participating entity if the contract will result in an unreasonable expense under section 62D.19. The commissioner shall approve or disapprove a contract within 30 days of filing.

Within 120 days of the anniversary of the implementation of each contract, the health maintenance organization shall file a document detailing the actual expenses incurred and reported by the major participating entity in performing the contract in the proceeding year and the actual revenues received from the health maintenance organization by the entity in payment for the performance.

Contracts implemented prior to April 25, 1984, shall be filed within 90 days of April 25, 1984. These contracts are subject to the provisions of section 62D.19, but are not subject to the prospective review prescribed by this clause, unless or until the terms of the contract are modified. Commencing with the next anniversary of the implementation of each of these contracts immediately following filing, the health maintenance organization shall, as otherwise required by this subdivision, file annual actual expenses and revenues.

(h) a statement generally describing the health maintenance organization, its health maintenance contracts and separate health service contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with comprehensive health maintenance services and separate health services;

(i) a copy of the form of each evidence of coverage to be issued to the enrollees;

(j) a copy of the form of each individual or group health maintenance contract and each separate health service contract which is to be issued to enrollees or their representatives;

(k) financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of

the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(l) a description of the proposed method of marketing the plan, a schedule of proposed charges, and a financial plan which includes a three year projection of the expenses and income and other sources of future capital;

(m) a statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

(n) a description of the complaint procedures to be utilized as required under section 62D.11;

(o) a description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (c) and to monitor the quality of health care provided to enrollees;

(p) a description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation under section 62D.06;

(q) a copy of any agreement between the health maintenance organization and an insurer or nonprofit health service corporation regarding reinsurance, stop-loss coverage, insolvency coverage, or any other type of coverage for potential costs of health services, as authorized in ~~section~~ sections 62D.04, subdivision 1, clause (f), 62D.05, subdivision 3, and ~~section~~ 62D.13; and

(r) other information as the commissioner of health may reasonably require to be provided.

Sec. 4. Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1, is amended to read:

Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) arrangements for an ongoing evaluation of the quality of health care;

(c) a procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its

services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

(d) reasonable provisions for emergency and out of area health care services;

(e) demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner of health may shall require the amounts of net worth and working capital required in section 14, the deposit required in section 62D.041, and in addition shall consider:

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) ~~the adequacy of its working capital;~~

(3) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization; and

(4) (3) agreements with providers for the provision of health care services; and

(5) ~~any deposit of cash or securities submitted in accordance with section 62D.041;~~

(f) demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit the following:

(1) a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a nonelective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(2) a health maintenance organization from having a provision in a group health maintenance contract allowing an adjustment of premiums paid based upon the actual health services utilization of

the enrollees covered under the contract, except that at no time during the life of the contract shall the contract holder fully self-insure the financial risk of health care services delivered under the contract. Risk sharing arrangements shall be subject to the requirements of sections 62D.01 to 62D.30;

(g) otherwise met the requirements of sections 62D.01 to 62D.29.

Sec. 5. Minnesota Statutes 1986, section 62D.041, subdivision 1, is amended to read:

62D.041 [PROTECTION AGAINST IN THE EVENT OF INSOLVENCY.]

Subdivision 1. [DEFINITION.] For the purposes of this section, the term "uncovered expenditures" means the costs of health care services that are covered by a health maintenance organization for which an enrollee would also be liable in the event of the organization's insolvency, including out-of-area services, referral services, and any other expenditures for health care services for which the health maintenance organization is at risk and that are not guaranteed, insured, or assumed by a person other than the health maintenance organization.

Sec. 6. Minnesota Statutes 1986, section 62D.041, subdivision 2, is amended to read:

Subd. 2. [REQUIRED DEPOSIT.] Unless otherwise provided in this section, Each health maintenance organization shall deposit with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, the cash, freely alienable securities, or any combination of these or other measures that is acceptable to the commissioner in the amount set forth required in this section. If a health maintenance organization does not have the required reserves or its reserves are not properly computed, operations shall be adjusted to correct the condition, according to a written plan proposed by the health maintenance organization and approved by the commissioner. If a health maintenance organization does not propose measures to correct its reserves or surplus within a reasonable time, if a corporation violates the plan which has been approved, or if there is evidence that an improper reserve or surplus status cannot be corrected within a reasonable time, the commissioner of commerce may take action against the corporation under chapter 60B. The commissioner may allow a health maintenance organization's deposit requirement to be met by a guaranteeing organization, as defined in section 14, based on the criteria set out in subdivision 4 of that section. The health maintenance organization may also satisfy one-half of its deposit requirement through use of a letter of credit as specified in section 62D.041, subdivision 9.

Sec. 7. Minnesota Statutes 1986, section 62D.041, subdivision 3, is amended to read:

Subd. 3. [AMOUNT FOR BEGINNING ORGANIZATIONS.] The amount for an organization that is beginning operation shall be the greater of: (a) five percent of its estimated expenditures for health care services for its first year of operation; (b) twice its estimated average monthly uncovered expenditures for its first year of operation; or (c) \$100,000.

At the beginning of each succeeding year, unless not applicable, the organization shall deposit with the organization or trustee, cash, freely alienable securities, or any combination of these or other measures acceptable to the commissioner in an amount equal to four percent of its estimated annual uncovered expenditures for that year. (a) Organizations that obtain a certificate of authority after enactment of this subdivision shall deposit, before receiving a certificate of authority, \$500,000. The health maintenance organization shall provide the commissioner with evidence of the deposit before receiving a certificate of authority.

(b) On or before April 1 of the year following the organization's first 12 months of operation under a certificate of authority, an organization shall deposit an amount equal to the difference between the initial deposit and 50 percent of its uncovered expenditures in its first 12 months of operation.

(c) On or before April 1 of subsequent years, an organization shall deposit an amount equal to the difference between the amount on deposit and 50 percent of its uncovered expenditures in the preceding calendar year.

Sec. 8. Minnesota Statutes 1986, section 62D.041, subdivision 4, is amended to read:

Subd. 4. [AMOUNT FOR EXISTING ORGANIZATIONS.] Unless not applicable, On or before April 1, 1989, an organization that is in operation on August 1, 1984, has received a certificate of authority on or before enactment of this subdivision shall make a have on deposit an amount equal to the larger of:

(a) one percent of the preceding 12 months' uncovered expenditures 50 percent of its uncovered expenditures in the preceding calendar year; or

(b) \$100,000 on the first day of the fiscal year beginning six months or more after August 1, 1984 \$500,000.

In the second fiscal year, if applicable, the amount of the additional deposit shall be equal to two percent of its estimated annual

uncovered expenditures. In the third year, if applicable, the additional deposit shall be equal to three percent of its estimated annual uncovered expenditures for that year. In the fourth fiscal year and subsequent years, if applicable, the additional deposit shall be equal to four percent of its estimated annual uncovered expenditures for each year. Each year's estimate, after the first year of operation, shall reasonably reflect the prior year's operating experience and delivery arrangements.

On or before April 1 of each subsequent year, an organization shall deposit an amount equal to the difference between the amount on deposit and 50 percent of its uncovered expenditures in the preceding calendar year.

Sec. 9. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 5a. [WAIVER OF ADDITIONAL DEPOSIT.] In any year when the amount determined according to this section is zero or less than zero, the commissioner shall not require the organization to make any additional deposit.

Sec. 10. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 6a. [WITHDRAWAL OF DEPOSIT.] If the amount previously deposited by the organization under this section exceeds the amount required under this section by more than \$50,000 for a continuous 12-month period, the commissioner shall allow the organization to withdraw the portion of the deposit that exceeds by more than \$50,000 the amount required to be on deposit for the organization, unless the commissioner determines that release of a portion of the deposit could be hazardous to enrollees, creditors, or the general public. An organization shall not apply for a refund under this section more than once in each calendar year.

Sec. 11. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 6b. [EVIDENCE OF DEPOSIT.] An organization shall provide the commissioner with evidence of every deposit made on or before the date of the deposit.

Sec. 12. Minnesota Statutes 1986, section 62D.041, subdivision 7, is amended to read:

Subd. 7. [CONTROL OF OVER DEPOSITS.] All income from deposits shall belong to the depositing organizations and shall be paid to it as it becomes available. A health maintenance organization that has made a securities deposit may withdraw that deposit or

any part thereof after making a substitute deposit of cash, freely alienable securities, or any combination of these or other measures of equal amount and value. Any securities shall be approved by the commissioner before being substituted.

Sec. 13. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 9. [LETTER OF CREDIT.] A health maintenance organization may satisfy one-half of its deposit requirement through use of a letter of credit issued by a bank authorized to do business in this state, provided that:

(1) nothing more than a demand for payment is necessary for payment;

(2) the letter of credit is irrevocable;

(3) according to its terms, the letter of credit cannot expire without due notice from the issuer, and the notice must occur at least 60 days prior to the expiration date and be in the form of a written notice to the commissioner;

(4) the letter of credit is issued or confirmed by a bank which is a member of the federal reserve system;

(5) the letter of credit is unconditional, is in no way contingent upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreements, documents, or entities;

(6) the letter of credit designates the commissioner as beneficiary; and

(7) the letter of credit may be drawn upon after insolvency of the health maintenance organization.

Sec. 14. [62D.042] [NET WORTH AND WORKING CAPITAL REQUIREMENTS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, "guaranteeing organization" means an organization that has agreed to make necessary contributions or advancements to the health maintenance organization to maintain the health maintenance organization's statutorily required net worth.

(b) For this section, "working capital" means current assets minus current liabilities.

Subd. 2. [BEGINNING ORGANIZATIONS.] (a) Beginning organizations shall maintain net worth equal to $8\frac{1}{3}$ percent of the sum of all expenses expected to be incurred in the 12 months following the date the certificate of authority is granted, or \$1,500,000, whichever is greater.

(b) After the first full calendar year of operation, organizations shall maintain net worth equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the most recent calendar year, or \$1,000,000, whichever is greater.

Subd. 3. [PHASE-IN FOR EXISTING ORGANIZATIONS.] (a) Organizations that obtained a certificate of authority on or before enactment of this subdivision have until April 1, 1992, to establish a net worth equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(b) On April 1, 1989, organizations shall have a net worth of one-fourth of an amount equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(c) On April 1, 1990, organizations shall have a net worth of one-half of an amount equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(d) On April 1, 1991, organizations shall have a net worth of three-fourths of an amount equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

Subd. 4. [GUARANTEEING ORGANIZATION.] (a) The commissioner may determine that it is in the best interests of an organization's enrollees and the public to allow an organization's net worth requirement to be satisfied by a guaranteeing organization. The commissioner shall consider the net worth of a guaranteeing organization, the number of organizations it guarantees, whether it is a governmental entity with power to tax, and other factors the commissioner considers relevant. If the commissioner allows a guaranteeing organization to satisfy the net worth requirement of more than one health maintenance organization, the guaranteeing organization must maintain the required net worths of the guaranteed health maintenance organizations on an aggregate basis.

(b) A health maintenance organization that requests the commissioner to allow a guaranteeing organization to satisfy its net worth or deposit requirement shall provide the commissioner with the guaranteeing organization's financial records and other relevant information when the request is made and annually, on or before

April 1, and must continue to do so upon request by the commissioner.

Subd. 5. [WORKING CAPITAL.] A health maintenance organization must maintain a positive working capital.

Subd. 6. [PLANS OF CORRECTION.] If the working capital or net worth is less than the required minimum, operations shall be adjusted to correct the net worth or working capital, according to a written plan proposed by the organization and approved by the commissioner. The commissioner may take action against the organization under chapter 60B or under the suspension and penalty provisions of sections 62D.15, 62D.16, and 62D.17 if:

(1) an organization does not propose a plan to correct its working capital or net worth within a reasonable time;

(2) an organization violates the plan that has been approved;

(3) the commissioner determines that an improper working capital or net worth status cannot be corrected within a reasonable time;
or

(4) the commissioner determines that the organization is in such financial condition that the transaction of further business would be hazardous to its enrollees, its creditors, or the public.

Sec. 15. [62D.044] [ADMITTED ASSETS.]

"Admitted assets" includes only the investments allowed by section 16 and the following:

(a) petty cash and other cash funds in the organization's principal or official branch office that are under the organization's control;

(b) immediately withdrawable funds on deposit in demand accounts, in a bank or trust company organized and regularly examined under the laws of the United States or any state and insured by an agency of the United States government, or like funds actually in the principal or official branch office at statement date, and, in transit to a bank or trust company with authentic deposit credit given before the close of business on the fifth bank working day following the statement date;

(c) the amount fairly estimated as recoverable on cash deposited in a closed bank or trust company, if the assets qualified under this section before the suspension of the bank or trust company;

(d) bills and accounts receivable that are collateralized by securities in which the organization is authorized to invest;

(e) premiums due from groups or individuals that are not more than 60 days past due;

(f) amounts due under reinsurance arrangements from insurance companies authorized to do business in this state;

(g) tax refunds due from the United States or this state;

(h) interest accrued on mortgage loans not exceeding in aggregate one year's total due and accrued interest on an individual loan;

(i) the rents due to the organization on real and personal property, directly or beneficially owned, not exceeding the amount of one year's total due and accrued rent on each individual property;

(j) interest or rents accrued on conditional sales agreements, security interests, chattel mortgages, and real or personal property under lease to other corporations that do not exceed the amount of one year's total due and accrued interest or rent on an individual investment;

(k) the fixed required interest due and accrued on bonds and other evidences of indebtedness that are not in default;

(l) dividends receivable on shares of stock, provided that the market price for valuation purposes does not include the value of the dividend;

(m) the interest on dividends due and payable, but not credited, on deposits in banks and trust companies or on accounts with savings and loan associations;

(n) interest accrued on secured loans that do not exceed the amount of one year's interest on any loan;

(o) interest accrued on tax anticipation warrants;

(p) the amortized value of electronic computer or data processing machines or systems purchased for use in the business of the organization, including software purchased and developed specifically for the organization's use;

(q) the cost of furniture, equipment, and medical equipment, less accumulated depreciation thereon, and medical and pharmaceutical supplies that are used to deliver health care and are under the organization's control, provided the assets do not exceed 30 percent of admitted assets;

(r) amounts currently due from an affiliate that has liquid assets with which to pay the balance and maintain its accounts on a

current basis. Any amount outstanding more than three months is not current; and

(s) amounts on deposit under section 62D.041.

Sec. 16. [62D.045] [INVESTMENT RESTRICTIONS.]

Subdivision 1. [RESTRICTIONS.] Funds of a health maintenance organization shall be invested only in securities and property designated by law for investment by domestic life insurance companies except for the following:

Funds may be used to purchase real estate, including leasehold estates and leasehold improvements, only for the convenient accommodation of the organization's business operations, including the home office, branch offices, medical facilities, and field office operations, on the following conditions:

(1) any parcel of real estate acquired under this subdivision may include excess space for rent to others if it is reasonably anticipated that the excess will be required by the organization for expansion or if the excess is reasonably required in order to have one or more buildings that will function as an economic unit;

(2) the real estate may be subject to a mortgage; and

(3) the purchase price of the asset, including capitalized permanent improvements, less depreciation spread evenly over the life of the property or less depreciation computed on any basis permitted under the Internal Revenue Code and its regulations, or the organization's equity, plus all encumbrances on the real estate owned by a company under this subdivision, whichever is greater, does not exceed 20 percent of its admitted assets, except if permitted by the commissioner upon a finding that the percentage of the health maintenance organization's admitted assets is insufficient to provide convenient accommodation for the organization's business. However, a health maintenance organization that directly provides medical services may invest an additional 20 percent of its admitted assets in real estate, not requiring the permission of the commissioner.

Subd. 2. [AUTHORIZATION REQUIRED.] No investment or loan shall be made or engaged in by any health maintenance organization unless the loan or investment has been authorized or ratified by the board of directors or by a committee supervising investments and loans.

Subd. 3. [LIMITS ON COMMISSIONS.] No health maintenance organization shall pay a commission or brokerage for the purchase or sale of real or personal property that exceeds usual and custom-

any commissions or brokerage at the time and place of the purchases or sales. Information regarding payments of commissions and brokerage shall be maintained by the health maintenance organization.

Subd. 4. [OFFICER'S CONFLICT OF INTEREST.] No health maintenance organization shall knowingly, directly or indirectly, invest in or loan upon any real or personal property, in which any principal officer or director of the organization has a financial interest. No organization shall make a loan to a principal officer or director of the organization.

Subd. 5. [COMPLIANCE.] Health maintenance organizations shall have until December 31, 1989, to comply with this section.

Sec. 17. Minnesota Statutes 1986, section 62D.05, subdivision 3, is amended to read:

Subd. 3. A health maintenance organization may contract with providers of health care services to render the services the health maintenance organization has promised to provide under the terms of its health maintenance contracts, may, subject to section 62D.12, subdivision 11, enter into separate prepaid dental contracts, or other separate health service contracts, may, subject to the limitations of section 62D.04, subdivision 1, clause (f), contract with insurance companies and nonprofit health service plan corporations for insurance, indemnity or reimbursement of its cost of providing health care services for enrollees or against the risks incurred by the health maintenance organization, may contract with insurance companies and nonprofit health service plan corporations for insolvency insurance coverage, and may contract with insurance companies and nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization, including the customary prepayment amount and any copayment obligations.

Sec. 18. Minnesota Statutes 1986, section 62D.08, is amended by adding a subdivision to read:

Subd. 6. A health maintenance organization shall submit to the commissioner unaudited financial statements of the organization on a quarterly basis on forms prescribed by the commissioner. The statements are due 30 days after the end of each quarter and shall be maintained as nonpublic data, as defined by section 13.02, subdivision 9.

Sec. 19. Minnesota Statutes 1986, section 62D.12, subdivision 5, is amended to read:

Subd. 5. The providers under agreement with a health mainte-

nance organization to provide health care services and the health maintenance organization shall not have recourse against enrollees or persons acting on their behalf for amounts above those specified in the evidence of coverage as copayments for health care services. The health maintenance organization shall not have recourse against enrollees or persons acting on their behalf for amounts above those specified in the evidence of coverage as the periodic prepayment, or copayment, for health care services. This subdivision applies but is not limited to the following events:

- (1) nonpayment by the health maintenance organization;
- (2) insolvency of the health maintenance organization; and
- (3) breach of the agreement between the health maintenance organization and the provider.

Sec. 20. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 9b. No health maintenance organization shall enter into an agreement with a hospital in which the hospital agrees to assume the financial risk for services provided by other facilities or providers not owned, operated, or otherwise subject to the control of the hospital assuming the financial risk.

Sec. 21. [62D.121] [PROVIDER CONTRACTS.]

Subdivision 1. [PROVIDER AGREEMENT.] Except for an employment agreement between a provider and health maintenance organization, an agreement to provide health care services between a provider and a health maintenance organization must contain the following provision:

PROVIDER AGREES NOT TO BILL, CHARGE, COLLECT A DEPOSIT FROM, SEEK REMUNERATION FROM, OR HAVE ANY RECOURSE AGAINST AN ENROLLEE OR PERSONS ACTING ON THEIR BEHALF FOR SERVICES PROVIDED UNDER THIS AGREEMENT. THIS PROVISION APPLIES BUT IS NOT LIMITED TO THE FOLLOWING EVENTS: (1) NONPAYMENT BY THE HEALTH MAINTENANCE ORGANIZATION OR (2) BREACH OF THIS AGREEMENT. THIS PROVISION DOES NOT PROHIBIT THE PROVIDER FROM COLLECTING COPAYMENTS OR FEES FOR UNCOVERED SERVICES.

THIS PROVISION SURVIVES THE TERMINATION OF THIS AGREEMENT FOR AUTHORIZED SERVICES PROVIDED BEFORE THIS AGREEMENT TERMINATES, REGARDLESS OF THE REASON FOR TERMINATION. THIS PROVISION IS FOR THE BENEFIT OF THE HEALTH MAINTENANCE ORGANIZA-

TION ENROLLEES. THIS PROVISION DOES NOT APPLY TO SERVICES PROVIDED AFTER THIS AGREEMENT TERMINATES.

THIS PROVISION SUPERSEDES ANY CONTRARY ORAL OR WRITTEN AGREEMENT EXISTING NOW OR ENTERED INTO IN THE FUTURE BETWEEN THE PROVIDER AND THE ENROLLEE OR PERSONS ACTING ON THEIR BEHALF REGARDING LIABILITY FOR PAYMENT FOR SERVICES PROVIDED UNDER THIS AGREEMENT.

Subd. 2. [COOPERATION REQUIRED.] An agreement to provide health care services between a provider and a health maintenance organization must require the provider to cooperate with and participate in the health maintenance organization's quality assurance program, dispute resolution procedure, and utilization review program.

Subd. 3. [NOTICE OF TERMINATION.] An agreement to provide health care services between a provider and a health maintenance organization must require that if the provider terminates the agreement, without cause, the provider shall give the organization 120 days' advance notice of termination.

Subd. 4. [LATE PAYMENTS.] If a health maintenance organization's payments to a provider are delayed beyond the payment date in the contract, the provider may notify the commissioner who shall consider that information in assessing the financial solvency of the health maintenance organization.

Sec. 22. Minnesota Statutes 1986, section 62D.14, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years; provided that. Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business.

Sec. 23. Minnesota Statutes 1986, section 62D.17, is amended by adding a subdivision to read:

Subd. 6. [FULL PAYMENT REQUIRED; INTEREST ON UNPAID CHARGES.] A health maintenance organization shall provide

full payment to any participating entity for services rendered as part of a contract with the organization. Payments due but not paid within 30 days from date of billing are subject to interest charged at the rate established by the commissioner of revenue under section 270.75.

Sec. 24. Minnesota Statutes 1986, section 62D.18, is amended to read:

62D.18 [REHABILITATION, OR LIQUIDATION, OR CONSERVATION OF HEALTH MAINTENANCE ORGANIZATION.]

Subdivision 1. [COMMISSIONER OF HEALTH; ORDER.] The commissioner of commerce may independently, or shall at the request of the commissioner of health, order the rehabilitation, liquidation or conservation of health maintenance organizations. The rehabilitation, liquidation or conservation of a health maintenance organization shall be deemed to be the rehabilitation, liquidation or conservation of an insurance company and shall be conducted under the supervision of the commissioner of commerce and pursuant to chapter 60B, except to the extent that the nature of health maintenance organizations render such law procedures clearly inappropriate and as provided in subdivisions 2 to 8.

Subd. 2. [INSOLVENCY; GROUNDS FOR REHABILITATION; LIQUIDATION.] Insolvency, as grounds for rehabilitation or liquidation of a health maintenance organization, exists when a health maintenance organization cannot be expected to satisfy its financial obligations when the obligations become due or when the health maintenance organization has failed to correct within the time required by the commissioner deficiencies due to net worth or working capital below the required amount.

Subd. 3. [PRIORITY OF CLAIMS.] To determine the priority of distribution of general assets, claims of enrollees have the same priority as claimants under policies or contracts of coverage for losses established under section 60B.44, subdivision 4. If an enrollee is liable to any provider for covered services provided under the health plan, that liability has the status of an enrollee claim for distribution of general assets, whether the enrollee or the provider files the claim. Claims of providers under agreement with the health maintenance organization entities for payment from the plan for services rendered have priority after enrollee claims under section 60B.44, subdivision 4.

Subd. 4. [POWERS OF REHABILITATOR.] The powers of the rehabilitator include, subject to the approval of the court: (a) the power to change premium rates, without the notice requirements of section 62D.07, and (b) the power to amend the terms of provider contracts relating to reimbursement and termination, considering

the interests of providers and the continued viability of the health plan.

Subd. 5. [POWERS OF LIQUIDATOR.] The power to transfer coverage obligations under section 60B.25, clause (8), includes the power to transfer coverage obligations to a solvent health maintenance organization and to assign the provider contracts of the insolvent health maintenance organization to an assuming health maintenance organization.

Subd. 6. [ENROLLEE; NO LIABILITY.] If a health maintenance organization is insolvent, enrollees of the organization are not liable to any provider for the amounts the provider is not paid by the guaranty association pursuant to section 25, subdivisions 5 and 6.

Subd. 7. [SPECIAL EXAMINER.] The commissioner as rehabilitator shall make every reasonable effort to employ a senior executive from a successful health maintenance organization to serve as special examiner to rehabilitate the health maintenance organization, provided that the individual does not have a conflict of interest. The special examiner shall have all the powers of the rehabilitator granted under this section and section 60B.17.

Subd. 8. [EXAMINATION REVOLVING FUND.] (a) A department of health examination revolving fund is established to fund the examination of health maintenance organizations not yet in rehabilitation or liquidation.

(b) The fund consists of the money collected by the department of health from health maintenance organizations for fees and expenses of examinations. Money in the fund is appropriated to the commissioner of health for the purpose of this subdivision.

(c) The fund shall be kept in the state treasury and shall be paid out in the manner prescribed by law for money in the fund.

(d) The fund shall be used to pay per diem salaries and expenses of special examiners. Expenses may include meals, lodging, laundry, transportation, and mileage. The salary of the regular employees of the health department shall not be paid out of this fund.

(e) Upon authorization by the commissioner of health, the money due each examiner engaged in an examination shall be paid from the examination revolving fund in the manner prescribed by law.

Sec. 25. [62D.181] [GUARANTY ASSOCIATION.]

Subdivision 1. [DEFINITION.] "Control" means the direct or indirect possession of the power to control the management and policies of a health maintenance organization through membership

on the board of directors, through holding the position of principal officer, or through other means.

Subd. 2. [LIFE AND HEALTH GUARANTY ASSOCIATION REQUIREMENTS.] Each health maintenance organization is subject to chapter 61B, except to the extent that the chapter is clearly inappropriate for a health maintenance organization and as provided in subdivisions 3 to 8. For purposes of chapter 61B, health maintenance organizations shall be considered health insurers.

Subd. 3. [ASSESSMENTS.] Assessments by the guaranty association shall be diminished by the value of assets of an insolvent health maintenance organization which has not been liquidated at the time of assessment.

Subd. 4. [EXCLUDED PROVIDERS.] The guaranty association has no liability to a provider, or the provider's affiliates or members of the provider's immediate family who, within the one year before issuance of the first order of rehabilitation or liquidation pertaining to the health maintenance organization, exercised control over the organization by serving as a principal officer or director of the health maintenance organization or of a major participating entity of the health maintenance organization.

Subd. 5. [LIMITS ON PAYMENTS.] The guaranty association is not required to pay a provider for services rendered by the provider in excess of (a) the amount contracted between a provider and the insolvent organization for the services, or (b) rates established under the medical assistance program under chapter 256B, whichever is less. The association's payments under this subdivision constitute full and complete payment for the provider services to the enrollee. The guaranty association shall pay providers only for health services rendered.

Subd. 6. [EXCLUDED NONPROVIDERS; EXCEPTIONS.] The guaranty association shall not pay creditors who are not providers, except enrollees who are liable to providers for services rendered.

Subd. 7. [REPORT.] By January 31, 1992, the commissioners of health and commerce shall jointly issue a report analyzing the inclusion of health maintenance organizations in the life and health guaranty association, the effects such inclusion has on enrollees, member insurers, and health maintenance organizations, and recommend whether to continue the inclusion.

Subd. 8. [OPEN ENROLLMENT.] The guaranty association shall not cover the obligations of enrollees who have secured alternative coverage pursuant to section 60A.082.

Sec. 26. [62D.182] [LIABILITIES.]

Every health maintenance organization shall maintain liabilities estimated in the aggregate to be sufficient to pay for all reported or unreported claims incurred, which are unpaid and for which the organization is liable. Liabilities are computed under rules adopted by the commissioner.

Sec. 27. Minnesota Statutes 1986, section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.]

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.29; in order to safeguard the underlying nonprofit status of health maintenance organizations; and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. The commissioner shall have standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 28. [REPEALER.]

Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8, are repealed. Section 25 is repealed June 31, 1992.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 28 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets;

imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; providing for interest on unpaid charges of participating entities; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.17, by adding a subdivision; 62D.18; and 62D.19; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8."

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

The report was adopted.

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

H. F. No. 2138, A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

Reported the same back with the following amendments:

Page 3, line 15, after "clients" insert "other than clients in acute care facilities who are receiving services not paid for by public funds"

Page 5, line 16, after the period insert "An agency, facility, or program shall not retaliate or take adverse action, as defined in section 626.557, subdivision 17, paragraph (c), against a client or other person, who in good faith makes a complaint or assists in an investigation."

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

The report was adopted.

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

H. F. No. 2165, A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; requiring rulemaking; providing penalties; creating an advisory task force and providing for its duties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325E.045] [SALE OF CERTAIN POLYETHYLENE MATERIAL PROHIBITED.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to sections 1 and 2.

(a) "Nondegradable" means not capable of being decomposed by natural biological processes, including exposure to the sun's ultra-violet rays, within five years from the date of disposal.

(b) "Person" means an individual partnership, corporation, sole proprietorship, association, or other for profit or not for profit organization, including the state and its political subdivisions.

(c) "Polyethylene beverage ring" means a device made of polyethylene that is used or intended to be used to hold beverage bottles or other beverage containers together.

(d) "Polyethylene disposal bag" means a bag made of polyethylene that is used or intended to be used for disposal of mixed municipal solid waste, as defined by section 115A.03.

(e) "Public agency" means any office, agency, or institution of the state or any county, statutory or home rule charter city, town, school district, or other special taxing district.

Subd. 2. [REGULATION OF CERTAIN POLYETHELENE PRODUCTS.] (a) No person shall, on and after January 1, 1989, use, sell, or offer for sale any nondegradable polyethylene beverage ring. A person who violates this subdivision is guilty of a misdemeanor.

(b) No public agency shall, on and after January 1, 1989, purchase any polyethylene disposal bag that is nondegradable.

(c) No public agency shall on and after January 1, 1990, purchase or use a polyethylene disposal bag that is nondegradable.

Sec. 2. [DEGRADABLE PLASTICS TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] An advisory task force on degradable plastics is created. The task force consists of the commissioners of agriculture, commerce, and the pollution control agency, the director of the waste management board, the president of the greater Minnesota corporation, the head of the consumer affairs division of the attorney general's office, and two people involved in manufacturing plastic products in Minnesota and one retailer. Representatives of other state agencies may also become members of the task force with the approval of a majority of its members.

Subd. 2. [DUTIES.] The task force shall study the feasibility and consequences of requiring that industry and consumer products, other than the items identified in section 1, subdivision 2, be biodegradable.

Subd. 3. [REPORT.] The task force shall report its findings, along with any proposed legislation the task force believes necessary, to the legislature by January 1, 1990, after which the task force expires.

Subd. 4. [ADMINISTRATION AND EXPENSES.] The task force is attached to the rural development board for administrative purposes and the board shall furnish the task force with office space and administrative assistance necessary to fulfill the duties of the task force. Members of the task force shall be paid their expenses under section 15.059.

Sec. 3. [APPROPRIATION.]

\$ is appropriated from the general fund to the rural development board for the purposes of sections 1 and 2, to be available until January 1, 1990."

Amend the title as follows:

Page 1, line 3, delete "requiring rulemaking;"

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2177, A bill for an act relating to advertising devices; authorizing advertising on highways of special events at state parks,

recreation areas, waysides, monuments, and trails; amending Minnesota Statutes 1986, section 173.08, subdivision 1.

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

The report was adopted.

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

H. F. No. 2184, A bill for an act relating to public safety; creating division of elevator inspection in the department of labor and industry; providing for duties, powers, and fees; providing for annual, statewide, certified inspections of elevators by qualified inspectors; allowing municipalities with qualified elevator inspection programs to be exempt from state inspection; prescribing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 183.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2187, A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

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

The report was adopted.

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

H. F. No. 2212, A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

Reported the same back with the following amendments:

Page 2, line 13, strike "that are"

Page 2, line 14, strike everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2214, A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1986, section 256B.501, subdivision 3, is amended to read:

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for persons with mental retardation or related conditions. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles;

(d) incentives to reward accumulation of equity; and

(e) a revaluation on sale for a facility that, for at least three years before its use as an intermediate care facility, has been used by the

seller as a single family home and been claimed by the seller as a homestead, and was not revalued immediately prior to or upon entering the medical assistance program, provided that the facility revaluation not exceed the amount permitted by the Social Security Act, section 1902(a)(13); and

(f) appeals procedures that satisfy the requirements of section 256B.50 for appeals of decisions arising from the application of standards or methods pursuant to Minnesota Rules, parts 9510.0500 to 9510.0890, 9553.0010 to 9553.0080, and 12 MCAR 2.05301 to 2.05315 (temporary).

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for persons with mental retardation or related conditions, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent."

Page 4, line 4, delete "1989" and insert "1988"

Page 4, line 22, delete "1989" and insert "1988"

Page 5, line 35, after "shall" insert "adopt rules to implement sections 6 to 9. The commissioner shall"

Page 5, line 36, delete "and adopt"

Page 6, line 1, before "rules" insert "these" and delete "necessary to implement sections 5 to 8"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 6, after the comma insert "subdivision 3, and"

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2215, A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

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

The report was adopted.

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

H. F. No. 2220, A bill for an act relating to state government; regulating state employment; establishing policies regarding full-time and part-time employees; amending Minnesota Statutes 1986, sections 16A.11, subdivision 3; 16A.123, subdivision 3; 43A.01, by adding a subdivision; 43A.05, subdivision 5; 43A.24, subdivision 1, and by adding a subdivision; and 43A.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [STUDY.]

The commissioner of employee relations shall conduct a study of the use of part-time employees in the executive branch workforce. In conducting the study, the commissioner must consult with exclusive representatives of state employees. The commissioner shall report the results of the study to the legislature by January 15, 1989. The report must include:

(1) the evaluation of a policy that encourages use of full-time, as opposed to part-time, executive branch employees;

(2) the circumstances under which it is essential for executive branch agencies to use part-time employees;

(3) a summary showing the percentages of employees in each executive branch appointing authority, and in each job classification with more than ten incumbents, that are full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, temporary, and emergency, as of the date that the commissioner compiles the summary. This summary must note which job classifications are male-dominated, female-dominated, and balanced;

(4) an analysis of overall trends in the use of part-time, intermittent, and temporary employees in the executive branch over the past five years, and of significant trends in the use of part-time employees in individual executive branch agencies;

(5) an evaluation of alternative methods of assuring that all state employees, whether employed full-time or part-time, have adequate hospital and medical insurance benefits; and

(6) recommendations for changes in law needed to accomplish the policies in clauses (1) and (5)."

Delete the title and insert:

"A bill for an act relating to state government; mandating a study on the use of part-time employees in the executive branch."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2221, A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986, section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

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

The report was adopted.

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

H. F. No. 2250, A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating emergency civil service appointments; regulating affirmative action; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.15, subdivisions 2 and 11; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8,

and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a.

Reported the same back with the following amendments:

Page 3, delete sections 2 and 3

Page 12, after line 35, insert:

"Sec. 15. Minnesota Statutes 1986, section 471.992, is amended by adding a subdivision to read:

Subd. 2a. [EQUITABLE COMPENSATION RELATIONSHIPS.] Equitable compensation relationships are established when the average compensation for female-dominated classes is equal to the average compensation for male-dominated classes of comparable skill, effort, responsibility, working conditions, and other relevant work related criteria.

Sec. 16. Minnesota Statutes 1986, section 471.998, is amended by adding a subdivision to read:

Subd. 3. [REVIEW OF STUDIES.] The commissioner of employee relations may review a study performed by a political subdivision under section 471.994 upon request. If the commissioner determines that a study does not provide an adequate basis for establishing equitable compensation relationships as required by section 471.992, the commissioner shall direct the political subdivision to make corrections necessary to provide an adequate basis.

Sec. 17. [WASTE MANAGEMENT BOARD EMPLOYEES.]

By January 1, 1989, the commissioner of employee relations shall transfer employees of the waste management board in the unclassified service to the classified service of the state without competitive or qualifying examination and shall place them in their proper classifications. A transferred employee with less than six months of service in the employee's position at the time of the transfer shall serve a probationary period appropriate for the employee's classification under Minnesota Statutes, section 43A.16. The probation period must include the time since the employee's hire in the unclassified position from which the employee was transferred. This section does not apply to the chair of the board, the assistant to the chair, and to one confidential secretary to the board."

ReNUMBER sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after "sections"

Page 1, line 10, after the semicolon insert "471.992, by adding a subdivision; and 471.998, by adding a subdivision;"

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

The report was adopted.

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

H. F. No. 2251, A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1986, sections 177.32, subdivision 1; and 177.33; proposing coding for new law in Minnesota Statutes, chapter 177.

Reported the same back with the following amendments:

Page 1, line 22, delete "COLLECTIVE BARGAINING AGREEMENT" and insert "EMPLOYER/EMPLOYEE AGREEMENTS"

Page 1, line 25, before the period insert "or by mutual agreement, provided that an employer may not terminate or otherwise discipline an employee or fail to hire an applicant for refusing to waive a right under this section"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2265, A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

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

The report was adopted.

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

H. F. No. 2281, A bill for an act relating to the military; providing

a state bonus for national guard service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [192.552] [NATIONAL GUARD BONUS.]

The adjutant general shall pay a state cash bonus of \$100 on or about November 1 of each year to each member of the Minnesota national guard who has served satisfactorily, as defined by the adjutant general, as an active member of the Minnesota national guard during the preceding federal fiscal year of October 1 to September 30.

Sec. 2. [192.553] [TUITION ASSISTANCE PROGRAM.]

Subdivision 1. [PROGRAM TO BE ESTABLISHED.] The adjutant general shall establish a program providing tuition reimbursement for members of the Minnesota national guard and their surviving dependents in accordance with this section.

Subd. 2. [REIMBURSEMENT PROVIDED.] (a) A member of the Minnesota national guard serving satisfactorily, as defined by the adjutant general, shall be reimbursed for tuition paid during the period of the member's service to a post-secondary education institution that is an eligible institution as defined by section 136A.15, subdivision 5, upon proof of satisfactory completion of course work.

(b) In the case of tuition paid to a public institution located in Minnesota, tuition is limited to 50 percent of the cost of tuition, except as provided in paragraph (d).

(c) In the case of tuition paid to a private institution within or without Minnesota or a public institution not in Minnesota, reimbursement is limited to 50 percent of the average tuition at the University of Minnesota, except as provided in paragraph (d).

(d) In the case of tuition paid to a public or private technical or vocational school or community college located within or without Minnesota, for a single course or limited number of courses the completion of which do not result in a degree, the full amount of tuition up to \$100 per year must be reimbursed.

Subd. 3. [DEATH BENEFIT REIMBURSEMENT.] If a member of the Minnesota national guard is killed in the line of state active duty, the state shall reimburse 100 percent of the cost of tuition for post-secondary courses satisfactorily completed by any surviving spouse and any surviving dependents who are 21 years old or

younger. Reimbursement for surviving spouses and dependents is limited in amount and duration as is reimbursement for the national guard member.

Subd. 4. [LIMITATIONS.] The maximum amount of tuition reimbursement for each eligible individual shall be determined by the adjutant general according to written criteria established within 90 days of the effective date of this section and the adjutant general may establish a time period in which a recipient must complete the education or otherwise receive reimbursement. The number of individuals receiving reimbursement is limited by the appropriation provided by the legislature.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability; and

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to six and \$1,000 for each dependent in grades seven to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of

the Internal Revenue Code of 1986, as amended through December 31, 1986; and

(4) the amount paid under section 1 for personal services in the Minnesota national guard.

Sec. 4. [APPROPRIATION.]

\$3,500,000 is appropriated from the general fund to the adjutant general to implement sections 1 and 2, to be available until expended.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective July 1, 1988. Section 3 is effective for taxable years beginning after December 31, 1987."

Delete the title and insert:

"A bill for an act relating to the military; providing a state bonus for national guard service; providing tuition reimbursement to members of the national guard; appropriating money; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 192."

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

The report was adopted.

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

H. F. No. 2283, A bill for an act relating to the military; restoring the military pay exclusion for national guard pay; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

The report was adopted.

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

H. F. No. 2336, A bill for an act relating to retirement; permitting an amendment to the Minneapolis teachers retirement fund articles.

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

The report was adopted.

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

H. F. No. 2372, A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

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

The report was adopted.

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

H. F. No. 2396, A bill for an act relating to education; authorizing the sale of college savings bonds; providing financial incentives for students to enroll at post-secondary institutions located in this state; creating an advisory task force; 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. [16A.645] [COLLEGE SAVINGS BONDS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of finance, in consultation with the higher education coordinating board, shall establish a college savings bond program to encourage individuals to save for higher education costs by investing in state general obligation bonds. The program consists of (1) issuing a portion of the state general obligation bonds in zero coupon form and in denominations and maturities that will be attractive to individuals saving to pay for higher education costs, and (2) developing a program for marketing the bonds to investors who are saving to pay for higher education costs. The commissioner of finance may designate all or a portion of each state general obligation bond sale as "college savings bonds." The amount of bonds designated as college savings bonds may not exceed the amount of authorized, but previously unissued, bonds for higher education facilities. Higher education facilities include capital

projects for the University of Minnesota, the state universities, community colleges, and technical institutes.

Subd. 2. [MARKETING STUDY.] The higher education coordinating board and commissioner of finance shall conduct a study of the market for college savings bonds, including the potential demand for the bonds, characteristics of the potential buyers, provisions that would make the bonds more attractive to individuals who are saving to pay higher education costs, and other factors relevant to developing a successful plan for issuing and selling the bonds. As a part of this study, a subscription list of potential buyers of college savings bonds may be compiled.

Subd. 3. [DENOMINATIONS; MATURITIES.] The commissioner shall determine the appropriate denominations and maturities for college savings bonds. It is the intent of the legislature to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Minimum denominations of \$1,000 must be made available. The minimum denomination bonds need not be made available for bonds of all maturities. For purposes of this section, "denomination" means the face amount of the bond, including principal and accrued interest when the bond is redeemed.

Subd. 4. [PRINCIPAL AMOUNT OF ZERO COUPON BONDS.] For purposes of the laws authorizing the issuance of bonds, in determining the principal amount of bonds issued as zero coupon bonds, only the aggregate original principal amount of the bonds must be taken into account.

Subd. 5. [TRANSFERS TO BOND FUND FOR ZERO COUPON BONDS.] If state general obligation bonds are issued in zero coupon form, the commissioner shall transfer to the debt service reserve fund on December 1 of each year the amount necessary to repay the outstanding bonds' principal and interest in equal annual installments over the life of the bonds. The amount transferred may be adjusted to reflect the investment income earned on the debt service reserve fund by the amounts transferred.

Subd. 6. [MARKETING PLAN.] The commissioner and the higher education coordinating board shall develop a plan for marketing college savings bonds. The marketing program must include appropriate disclosures to potential buyers, including information on the types of savers for whom long-term, tax-exempt bonds may not be appropriate investments.

Subd. 7. [STUDENT FINANCIAL AID.] The first \$25,000 of college savings bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state scholarship and grant program under section 136A.121, or the part-time grant program under section 136A.132.

Subd. 8. [APPROPRIATION.] The amount necessary to pay for the cost of the marketing study under subdivision 2, and the marketing plan under subdivision 6, is appropriated out of the proceeds of the college savings bonds.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market study and plan; exempting a specified amount of bonds from consideration in financial aid eligibility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A."

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

The report was adopted.

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

H. F. No. 2413, A bill for an act relating to health; establishing the Minnesota Institute for Addiction and Stress Research; proposing coding for new law as Minnesota Statutes, chapter 152A.

Reported the same back with the following amendments:

Page 2, line 11, delete from "As" through page 2, line 15, "board."

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

The report was adopted.

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

H. F. No. 2431, A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing for the inclusion of retired members on the boards of directors of the relief associations.

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

The report was adopted.

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

H. F. No. 2432, A bill for an act relating to retirement; requiring a majority vote of all members of the St. Paul police and fire department relief associations on consolidation with the public employees retirement association; amending Minnesota Statutes 1987 Supplement, section 353A.02, subdivision 17.

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

The report was adopted.

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

H. F. No. 2448, A bill for an act relating to health; limiting reporting requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; providing fines for rule violations; creating an environmental health fee account; increasing fees for restaurant, hotel, and resort licenses; appropriating money; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 145 and 157.

Reported the same back with the following amendments:

Page 2, after line 26, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 145A.14, is amended by adding a subdivision to read:

Subd. 3. [HUMAN IMMUNODEFICIENCY VIRUS EDUCATION AND RISK REDUCTION GRANTS.]

(a) The commissioner shall make special grants to community health boards to establish and maintain public education, health promotion services, and local technical assistance intended to limit the transmission of the human immunodeficiency virus. Funding may not be used for alternative testing programs or services to persons with AIDS-related illnesses.

(b) To qualify for a grant under this subdivision, the community health plan or plan revision submitted by the community health

board must contain a proposal for the delivery of education and health promotion services and local technical assistance.

:(c) Applicants must submit for approval a plan and budget for the use of funds, in the form and detail provided for in the community health plan.

(d) Funds appropriated for grants under this subdivision will be allocated as follows:

(1) 25 percent shall be distributed to community health boards in proportion to the number of counties and eligible cities;

(2) 25 percent shall be distributed to community health boards in proportion to population;

(3) 25 percent shall be distributed to community health boards in proportion to the number of reported AIDS cases; and

(4) 25 percent shall be awarded by the commissioner of health to community health boards or nonprofit corporations for statewide or community-based programs.

(e) Grants awarded to qualified programs under this subdivision shall not exceed 75 percent of the annual cost of the qualified program for the fiscal year for which the grant is awarded.

(f) Applicants must keep records, including records of expenditures to be audited as the commissioner specifies.

Sec. 5. Minnesota Statutes 1987 Supplement, section 145A.14, is amended by adding a subdivision to read:

Subd. 4. [ALLOCATION OF FEDERAL AIDS EDUCATION AND RISK REDUCTION FUNDS.] The commissioner of health shall apply for federal funding for AIDS education and risk reduction programs and to the maximum extent allowable under federal program provisions, allocate those funds in a manner consistent with the formula in subdivision 3."

Page 3, line 23, delete "5" and insert "7"

Page 3, line 29, delete "2, 3, 4, 5, and 6" and insert "2 to 8"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after the semicolon insert "Minnesota Statutes 1987 Supplement, section 145A.14, by adding subdivisions;"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2450, A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; requiring study and report to the legislature; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

Reported the same back with the following amendments:

Page 3, line 3, after "of" insert "up to"

Page 3, delete lines 5 to 10

Amend the title as follows:

Page 1, line 4, delete everything after the second semicolon

Page 1, line 5, delete everything before "amending"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 258, 1486, 1656, 1678, 1743, 1795, 1796, 1818, 1863, 1877, 1914, 1941, 1952, 1962, 1978, 1980, 1986, 1995, 2008, 2055, 2177, 2187, 2212, 2220, 2221, 2251, 2265, 2336, 2372, 2431 and 2432 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1594 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Jensen and Tompkins introduced:

H. F. No. 2583, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

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

Pappas introduced:

H. F. No. 2584, A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

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

Neuenschwander introduced:

H. F. No. 2585, A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

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

Segal introduced:

H. F. No. 2586, A bill for an act relating to drivers' licenses; providing for school bus driver training at area vocational technical institutes; amending Minnesota Statutes 1986, section 171.321, by adding a subdivision.

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

Blatz and Vellenga introduced:

H. F. No. 2587, A bill for an act relating to adoption; permitting

independent placements; requiring a preplacement investigation in independent placements; providing for authorized expenses in connection with an adoption; prohibiting certain advertisements in connection with adoption; providing penalties; amending Minnesota Statutes 1986, sections 259.22, subdivision 2; 259.24, subdivisions 2 and 6a; 259.27, by adding subdivisions; and 259.47; proposing coding for new law in Minnesota Statutes, chapter 259.

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

Trimble introduced:

H. F. No. 2588, A bill for an act relating to energy; appropriating oil overcharge money for various energy related purposes.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Frederick and Morrison introduced:

H. F. No. 2589, A bill for an act relating to human services; exempting prepaid burial contracts from asset limitations; amending Minnesota Statutes 1987 Supplement, section 256B.06, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Voss, Vanasek and Wynia introduced:

H. F. No. 2590, A bill for an act relating to property tax reform; changing property tax classifications, aids, and credits; abolishing certain levy limits; increasing the state share of financial participation in aid to families with dependent children, emergency assistance, general assistance, emergency general assistance, work readiness, Minnesota supplemental assistance, medical assistance, preadmission screening, alternative care grants, and general assistance medical care to 100 percent; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs and public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 6.62, subdivision 1; 18.023, subdivision 8; 110B.15, subdivision 4; 115.34, subdivision 1; 124.2137, subdivision 1; 134.34, subdivision 5; 164.041; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivi-

sion 1; 273.135, subdivision 5; 273.1391, subdivision 4; 275.14; 275.15; 275.16; 279.01, as amended; 298.28, subdivision 12; 298.282, subdivisions 2 and 3; 298.39; 298.396; 360.037, subdivision 2; 375.167, subdivision 1; 383C.55; 393.07, subdivision 2; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 465.73; 471.1921; 471.572, subdivision 2; 471A.03, subdivision 4; 473.87; 473.882, subdivision 3; 473F.08, subdivision 3a; 475.74; 475.754; 477A.011, subdivisions 6, 10, 11, and by adding subdivisions; and 477A.012, subdivision 2; Minnesota Statutes 1987 Supplement, sections 38.27, subdivision 3; 124.155, subdivision 2; 124.2139; 124A.02, subdivision 11; 129A.06, subdivision 2; 256.01, subdivision 2; 256B.091, subdivision 8; 256B.15; 256B.19, subdivision 1; 256D.03, subdivision 2; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.123, subdivisions 1, 4, 5, and 7; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, 25, and 31; 273.1392; 273.1393; 273.42, subdivision 2; 275.50, subdivision 2; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivisions 2 and 2a; 393.07, subdivision 10; 412.251; 447.34, subdivision 1; 447.35; 469.107; 471.74, subdivision 2; 473.446, subdivision 1; 473.8441, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; and 477A.013, subdivisions 1, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256 and 273; amending Laws 1987, chapter 268, article 6, sections 19 and 53; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 275.11; 275.50, as amended; 275.51, as amended; 275.54; 275.55; 275.56; 275.561; 275.58; 383C.552; 471A.04; and 477A.011, subdivisions 3a, 4, 5, 7a, 13, and 14; Minnesota Statutes 1987 Supplement, sections 245.775; 256D.22; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290A.04, subdivision 2b; 477A.011, subdivision 7; and 477A.012, subdivision 1; Laws 1987, chapter 268, article 5, section 4.

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

Johnson, R.; Cooper; Dauner; Pelowski and Dorn introduced:

H. F. No. 2591, A bill for an act relating to taxation; changing property tax classifications; establishing equalization aids for municipalities and counties; modifying school aids and levies; providing state payment of income maintenance programs; changing property tax refund schedules; abolishing certain aids and credits; appropriating money; amending Minnesota Statutes 1986, sections 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256B.041, subdivision 5; 256D.03, subdivision 6; 256D.36, subdivision 1; 273.13, by adding subdivisions; 273.40; 279.01, as amended; 290A.03, by adding subdivisions; 290A.23; 477A.011, subdivisions

11, 13, and by adding subdivisions; and 477A.012, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 124.155, subdivision 2; 124.2131, subdivision 1; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 256D.37, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.07, subdivisions 1 and 2; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.1102, subdivision 2; 273.1104, subdivision 1; 273.123, subdivisions 1, 4, and 5; 273.124, subdivisions 8, 11, and 13; 273.1392; 273.1393; 273.165, subdivision 2; 275.50, subdivisions 2 and 5; 275.51, subdivision 3h; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivision 2; 473.446, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; 477A.011, subdivision 7; 477A.012, subdivision 1; and 477A.013; proposing coding for new law in Minnesota Statutes, chapters 124; 273; and 477A; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 477A.011, subdivisions 4, 5, 6, 7a, 10, 12, and 14; and 477A.03, subdivision 1; Minnesota Statutes 1987 Supplement, sections 124.2131, subdivision 2; 245.775; 256D.22; 256G.05, subdivision 1; 256G.07, subdivision 4; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.125, subdivision 22; 290A.04, subdivisions 2a and 2b; and 477A.013, subdivision 2; Laws 1987, chapters 268, article 5, section 4; and 291, section 208.

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

Bauerly and Peterson introduced:

H. F. No. 2592, A bill for an act relating to elections; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1987 Supplement, section 206.80.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Bauerly, Tunheim and Bertram introduced:

H. F. No. 2593, A bill for an act relating to well abandonment; authorizing cost sharing funds; amending Minnesota Statutes 1986, sections 40.036, subdivision 1; 40.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40.

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

Carruthers, Kelly and Vellenga introduced:

H. F. No. 2594, A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 8; 388; 609; and 626A.

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

Trimble; Nelson, K., and McEachern introduced:

H. F. No. 2595, A bill for an act relating to education; requiring a community based instruction program relating to the family life experience; establishing a student-at-risk program; authorizing additional school aid for schools with minor parents in attendance; requiring certain schools to provide a social worker for minor parents and pregnant minors; authorizing additional transportation aid for transportation of minor parents and their children; amending Minnesota Statutes 1986, sections 124.17, by adding a subdivision; and 124.19, subdivision 6, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 124.223; proposing coding for new law in Minnesota Statutes, chapter 120.

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

McLaughlin, Dawkins, Pauly, Swenson and Jefferson introduced:

H. F. No. 2596, A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from small businesses and businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9, and by adding a subdivision; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new

law in Minnesota Statutes, chapters 3 and 473; repealing Minnesota Statutes 1986, section 473.556, subdivision 14.

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

Solberg and Brown introduced:

H. F. No. 2597, A bill for an act relating to claims against the state; clarifying that a public defender appointed by the state board of public defense is an employee of the state; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1.

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

Price and McEachern introduced:

H. F. No. 2598, A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory and review board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the renewal, suspension, and revocation of licenses; providing fees; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 82B.

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

Clausnitzer introduced:

H. F. No. 2599, A bill for an act relating to elections; eliminating the requirement that state agencies assist in voter registration; repealing Minnesota Statutes 1987 Supplement, section 201.162.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Anderson, G.; Price; Segal; Dorn and Wynia introduced:

H. F. No. 2600, A bill for an act relating to education; proposing an amendment to the Minnesota Constitution, article XIII, section 3; providing for the election of regents of the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137; repealing Minnesota Statutes 1986, sections 137.023; and 137.024.

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

Clausnitzer introduced:

H. F. No. 2601, A bill for an act relating to workers' compensation; excluding certain fringe benefits and annuity payments from premium computations; amending Minnesota Statutes 1986, section 79.211, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Clausnitzer introduced:

H. F. No. 2602, A bill for an act relating to day care; exempting family and group family day care providers from building code requirements; authorizing low interest loans; requiring a newsletter; requiring promotion of day care services; increasing the department of human services complement for enforcing licensing requirements; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 268.911, subdivision 1, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Knuth introduced:

H. F. No. 2603, A bill for an act relating to agriculture; appropriating money to collect and disseminate materials on soil and water stewardship for use in primary and secondary school curricula.

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

Frederick; Johnson, V.; DeRaad; Marsh and Stanius introduced:

H. F. No. 2604, A bill for an act relating to education; temporarily modifying the average cost funding formula for the state universities and community colleges.

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

Bertram, Wenzel, Neuenschwander and Hartle introduced:

H. F. No. 2605, A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Richter, Sparby and Uphus introduced:

H. F. No. 2606, A bill for an act relating to traffic regulations; allowing pickup trucks to pull two trailers of hay under certain conditions; amending Minnesota Statutes 1986, section 169.81, subdivision 10.

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

Bauerly introduced:

H. F. No. 2607, A bill for an act relating to agriculture; appropriating money for beginning farmer educational programs.

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

Bauerly introduced:

H. F. No. 2608, A bill for an act relating to agriculture; authorizing designation of additional seed certification agencies; amending Minnesota Statutes 1986, section 21.91, subdivision 1.

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

Otis, Carlson, L.; Wenzel; Anderson, G., and Olsen, S., introduced:

H. F. No. 2609, A bill for an act relating to financial institutions; authorizing state banks to engage in certain securities activities; permitting state banks to invest in certain corporations and to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules and issue orders regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1986, sections 48.15, by adding a subdivision; and 48.61, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Heap introduced:

H. F. No. 2610, A bill for an act relating to the environment; prohibiting the sale of certain plastic containers; providing penalties; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Kludt and Jaros introduced:

H. F. No. 2611, A bill for an act relating to elections; clarifying prohibition against creating a precinct that lies in more than one legislative district; amending Minnesota Statutes 1987 Supplement, section 204B.14, subdivision 3.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kludt, Bertram and Lasley introduced:

H. F. No. 2612, A bill for an act relating to state agencies; making statutory changes required by executive reorganization orders; amending Minnesota Statutes 1986, sections 43A.23, subdivision 3; 115A.906; 115A.912; and 115A.914; Minnesota Statutes 1987 Supplement, sections 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1987 Supplement, sections 116.55; and 116M.07, subdivision 14.

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

Dawkins, Pauly, Pappas, Swenson and Wynia introduced:

H. F. No. 2613, A resolution memorializing the Congress of the United States to ratify the Genocide Treaty.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Trimble, Kelly and Price introduced:

H. F. No. 2614, A bill for an act relating to utilities; requiring the public utilities commission to transfer a certain telephone exchange from one rate tier to another.

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

Tompkins, Ogren, Ozment, Milbert and Morrison introduced:

H. F. No. 2615, A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Kinkel introduced:

H. F. No. 2616, A bill for an act relating to game and fish; setting the opening of the season for taking fish by angling; amending Minnesota Statutes 1986, section 97C.395, subdivision 1.

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

Bishop, Long, Dempsey and Kelly introduced:

H. F. No. 2617, A bill for an act relating to drivers' licenses; requiring destruction of records of revocation or suspension when rescinded; amending Minnesota Statutes 1986, section 171.12, by adding a subdivision.

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

Bauerly introduced:

H. F. No. 2618, A bill for an act relating to commerce; securities; changing certain disclosure requirements relating to charitable solicitations; amending Minnesota Statutes 1987 Supplement, section 309.556, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 309.556, subdivision 2.

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

Olson, K.; Cooper; Anderson, G.; Sparby and Redalen introduced:

H. F. No. 2619, A bill for an act relating to agriculture; reappropriating money remaining in the 1987 interest buy-down program.

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

Dorn, Rodosovich, Kelso and Welle introduced:

H. F. No. 2620, A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 129A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Bertram, Bauerly, Dauner, Winter and Steensma introduced:

H. F. No. 2621, A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

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

Rukavina; Johnson, R., and Simoneau introduced:

H. F. No. 2622, A bill for an act relating to retirement; teachers retirement association; authorizing certain refund repayments; amending Minnesota Statutes 1986, section 354.50, by adding a subdivision.

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

Reding introduced:

H. F. No. 2623, A bill for an act relating to retirement; Minnesota state retirement system; optional annuities; average salary compu-

tation; disability benefits; survivor benefits; amending Minnesota Statutes 1986, sections 353.30, by adding a subdivision; and 353.651, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

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

Jaros introduced:

H. F. No. 2624, A bill for an act relating to education; conditioning University of Minnesota appropriations on having a financial audit done.

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

Jaros introduced:

H. F. No. 2625, A bill for an act relating to education; appropriating money to the higher education coordinating board, University of Minnesota, and state board of vocational technical education.

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

Simoneau introduced:

H. F. No. 2626, A bill for an act relating to taxation; motor vehicle excise; exempting motor vehicles used for training purposes by certain educational institutions; amending Minnesota Statutes 1987 Supplement, section 297B.03.

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

Kelso introduced:

H. F. No. 2627, A bill for an act relating to the city of Chanhassen; extending certain tax increment financing.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Segal introduced:

H. F. No. 2628, A bill for an act relating to education; establishing an AIDS education program in post-secondary institutions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Begich, Battaglia, Minne, Rukavina and Solberg introduced:

H. F. No. 2629, A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

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

Knickerbocker; Olsen, S., and Shaver introduced:

H. F. No. 2630, A bill for an act relating to the city of Minnetonka; excluding volunteer firefighters from membership in the public employees police and fire fund.

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

Gruenes, Bertram, Marsh and Omann introduced:

H. F. No. 2631, A bill for an act relating to taxation; providing an exemption from the sales tax for materials and equipment purchased in connection with the expansion of certain manufacturing plants; proposing coding for new law in Minnesota Statutes, chapter 297A.

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

Reding introduced:

H. F. No. 2632, A bill for an act relating to charitable gambling; licensing lessors of gambling devices; authorizing and regulating the use of video pull-tab devices at certain locations; regulating wholesalers and distributors of these devices; providing a tax; amending Minnesota Statutes 1986, sections 349.12, by adding a

subdivision; 349.161, subdivisions 1 and 2; 349.162, subdivision 2; 349.163, subdivisions 1, 3, and by adding subdivisions; 349.211, subdivision 2a; 349.212, by adding a subdivision; 349.2121, subdivision 1; and 349.30, subdivision 2; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 15; 349.161, subdivisions 3 and 5; 349.212, subdivision 4; 349.2121, subdivision 4a and 10; and 349.2122; proposing coding for new law in Minnesota Statutes, chapter 349.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Thiede introduced:

H. F. No. 2633, A bill for an act relating to state lands; creating the Paul Bunyan Trail; authorizing the use of previously appropriated state bond revenues to purchase land for a state trail; appropriating money; amending Minnesota Statutes 1986, section 85.015, by adding a subdivision.

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

Tjornhom, Omann, Uphus, Boo and Minne introduced:

H. F. No. 2634, A resolution memorializing the heads of the federal departments and agencies holding records concerning reported live sightings of American military personnel classified as prisoners of war or missing in action in Southeast Asia to make the records available to the public.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Uphus introduced:

H. F. No. 2635, A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Milbert introduced:

H. F. No. 2636, A bill for an act relating to motor vehicles; defining terms; imposing licensing conditions related to places of business of

motor vehicle dealers; amending Minnesota Statutes 1986, section 168.27, subdivisions 1, 10, and by adding a subdivision.

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

Tompkins, Kelso and Ozment introduced:

H. F. No. 2637, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

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

Carlson, D., introduced:

H. F. No. 2638, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

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

Clausnitzer introduced:

H. F. No. 2639, A bill for an act relating to taxation; providing for computation of the metropolitan transit tax reduction for certain cities and towns; amending Minnesota Statutes 1986, section 473.446, subdivision 1.

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

Schreiber, Stanius, Gruenes, Rodosovich and Vellenga introduced:

H. F. No. 2640, A bill for an act relating to health; requiring hospitals to notify physicians and patients before destroying medical records; amending Minnesota Statutes 1986, section 145.32, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Olson, K.; Tunheim and Winter introduced:

H. F. No. 2641, A bill for an act relating to education; allowing

three districts to form an education district upon state board approval; amending Minnesota Statutes 1987 Supplement, section 122.91, subdivision 3.

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

Jefferson; Johnson, A.; Wynia and Carlson, D., introduced:

H. F. No. 2642, A bill for an act relating to metropolitan government; permitting the acquisition of certain open space property.

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

Clark and Simoneau introduced:

H. F. No. 2643, A bill for an act relating to marriage dissolution; regulating division of pensions and retirement assets; amending Minnesota Statutes 1987 Supplement, sections 356.80, subdivisions 1 and 3; 518.58, subdivision 1; and 518.581, subdivision 2.

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

Simoneau introduced:

H. F. No. 2644, A bill for an act relating to food products; enacting certain labeling, licensing, and packaging requirements for naturally grown wild and paddy grown rice; amending Minnesota Statutes 1986, section 84.152; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1986, section 30.49.

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

Reding introduced:

H. F. No. 2645, A bill for an act relating to retirement; public employees retirement association; providing for the restoration of a normal annuity upon the death of a designated beneficiary to a retired or disabled member who had selected a joint and survivor annuity; increasing the retirement annuity formula for police officer and firefighter members; providing for early retirement at full annuity under certain conditions; regulating nonduty disability benefits; amending Minnesota Statutes 1986, sections 353.30, by

adding a subdivision; 353.651, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

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

Wenzel; Sparby; Nelson, C., and Winter introduced:

H. F. No. 2646, A bill for an act relating to agriculture; allowing participation by the rural finance administration in seller-sponsored loans to certain farmers; allowing combination of programs by certain farmers; establishing a foreign trade office in the Federal Republic of West Germany; establishing a program to provide milk to certain school pupils; providing supplemental funding for certain secondary vocational agricultural programs; appropriating money; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, and by adding a subdivision; and 41B.05; proposing coding for new law in Minnesota Statutes, chapters 116J and 124.

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

Waltman introduced:

H. F. No. 2647, A bill for an act relating to motor vehicles; providing for special license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Vellenga introduced:

H. F. No. 2648, A bill for an act relating to retirement; authorizing payment of survivor benefits to the divorced former spouse of a certain member of the public employees retirement association.

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

Clark and Sviggum introduced:

H. F. No. 2649, A bill for an act relating to vocational rehabilita-

tion; regulating community based employment program services; appropriating money; amending Minnesota Statutes 1987 Supplement, section 129A.08, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Vellenga introduced:

H. F. No. 2650, A bill for an act relating to state government; removing the expiration date of the governor's residence council and making the council permanent; amending Minnesota Statutes 1986, section 16B.27, subdivision 3.

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

Carruthers, Milbert and Solberg introduced:

H. F. No. 2651, A bill for an act relating to taxation; income; allowing an option to take a pension exclusion or the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

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

McEachern introduced:

H. F. No. 2652, A bill for an act relating to education; providing for grants to parent-to-parent support programs; appropriating money; amending Minnesota Statutes 1986, section 120.17, by adding a subdivision.

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

Orenstein introduced:

H. F. No. 2653, A bill for an act relating to natural resources; designating the fossil of the *castoroides ohioensis* as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Simoneau introduced:

H. F. No. 2654, A bill for an act relating to retirement; public employees; authorizing employer deferred compensation plan contributions in certain instances; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; 179A.07, subdivision 2; and 356.24.

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

Rukavina and Battaglia introduced:

H. F. No. 2655, A bill for an act relating to horseracing; allowing for the simulcasting of horse races under certain conditions; amending Minnesota Statutes 1986, section 240.13, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Pappas introduced:

H. F. No. 2656, A bill for an act relating to human services; regulating location of residential and other facilities; prohibiting further concentration of facilities; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 4, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Johnson, R.; Tunheim and Kinkel introduced:

H. F. No. 2657, A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Battaglia and Kostohryz introduced:

H. F. No. 2658, A bill for an act relating to veterans; requiring the establishment of a veterans home in Silver Bay; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Jensen, Kelso and Vanasek introduced:

H. F. No. 2659, A bill for an act relating to Scott county; authorizing the issuance of general obligation or revenue bonds; amending Laws 1987, chapter 285, section 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Clausnitzer introduced:

H. F. No. 2660, A bill for an act relating to workers' compensation; providing that small business owners can be excluded from coverage; amending Minnesota Statutes 1987 Supplement, section 176.041, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Johnson, A., introduced:

H. F. No. 2661, A bill for an act relating to housing; providing the right of first refusal to manufactured home park residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1622, 1711, 1715 and 1710.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1622, A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

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

S. F. No. 1711, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

The bill was read for the first time.

Ogren moved that S. F. No. 1711 and H. F. No. 1986, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1715, A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

The bill was read for the first time.

Ogren moved that S. F. No. 1715 and H. F. No. 1942, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1710, A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

The bill was read for the first time.

Simoneau moved that S. F. No. 1710 and H. F. No. 2212, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR.

H. F. No. 1755 was reported to the House.

Lasley requested that H. F. No. 1755 be placed at the bottom of the Consent Calendar.

H. F. No. 1832, A bill for an act relating to retirement; authorizing the Thief River Falls firefighters relief association to pay service pensions to members otherwise qualified at age 50.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1868, A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1884, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

H. F. No. 1912, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Cook county.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1922 was reported to the House.

Upon objection of ten members, H. F. No. 1922 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 1926 was reported to the House.

There being no objection, H. F. No. 1926 was continued on the Consent Calendar for one day.

H. F. No. 1943, A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1999, A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections

183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

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

Those who voted in the affirmative were:

Anderson, G.	Beard	Bishop	Burger	Clark
Anderson, R.	Begich	Blatz	Carlson, D.	Clausnitzer
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner

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

The bill was passed and its title agreed to.

H. F. No. 2046, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2109, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2270, A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2312, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Schreiber	Solberg	Thiede	Vellenga	Winter
Seaberg	Sparby	Tjornhom	Voss	Wynia
Segal	Stanisus	Trimble	Wagenius	Spk. Vanasek
Shaver	Steensma	Tunheim	Waltman	
Simoneau	Sviggum	Uphus	Welle	
Skoglund	Swenson	Valento	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 1755 was reported to the House.

Lasley moved that H. F. No. 1755 be returned to General Orders. The motion prevailed.

CALENDAR

S. F. No. 537, A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, 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 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Valento
Vellenga

Voss
Wagenius

Waltman
Welle

Wenzel
Winter

Wynia
Spk. Vanasek

Those who voted in the negative were:

Dempsey

The bill was passed and its title agreed to.

H. F. No. 1805, A bill for an act relating to energy; requiring repairs, servicing, or inspections of heating systems to include safety tests for the existence of carbon monoxide or provide notice that safety tests were not conducted; proposing coding for new law in Minnesota Statutes, chapter 325F.

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 122 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey

Haukoos

Milbert

Scheid

Schreiber
Tjornhom

The bill was passed and its title agreed to.

H. F. No. 2020, A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

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 121 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Beard	Kludt	McEachern	O'Connor	Sarna
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The bill was passed and its title agreed to.

Kostohryz was excused for the remainder of today's session.

H. F. No. 10 was reported to the House and given its third reading.

Anderson, G., moved that H. F. No. 10 be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the Anderson, G., motion and the roll was called. There were 38 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Knuth	Pappas	Simoneau
Anderson, R.	Greenfield	Lieder	Price	Stanis
Bennett	Jaros	Miller	Redalen	Trimble
Bishop	Jennings	Munger	Riveness	Vellenga
Brown	Johnson, R.	Murphy	Rodosovich	Voss
Burger	Kalis	Nelson, C.	Rose	Welle
Carlson, D.	Kinkel	Neuenschwander	Rukavina	
Clausnitzer	Knickerbocker	Olson, E.	Segal	

Those who voted in the negative were:

Battaglia	Forsythe	Khudt	Osthoff	Skoglund
Bauerly	Frederick	Krueger	Pauly	Solberg
Beard	Frerichs	Larsen	Pelowski	Sparby
Begich	Gruenes	Marsh	Peterson	Steensma
Bertram	Gutknecht	McDonald	Popenhagen	Sviggum
Blatz	Hartle	McEachern	Quinn	Swenson
Boo	Haukoos	McPherson	Quist	Thiede
Carlson, L.	Heap	Minne	Rest	Tjornhom
Cooper	Himle	Morrison	Richter	Tunheim
Dauner	Hugoson	Nelson, D.	Sarna	Uphus
Dawkins	Jacobs	O'Connor	Schafer	Valento
DeBlieck	Jensen	Ogren	Scheid	Wagenius
DeRaad	Johnson, V.	Omann	Schreiber	Waltman
Dille	Kelly	Onnen	Seaberg	Wenzel
Dorn	Kelso	Orenstein	Shaver	Winter

The motion did not prevail.

H. F. No. 10, A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Boo	Carlson, L.	Dauner
Battaglia	Bennett	Brown	Clark	Dawkins
Bauerly	Bertram	Burger	Clausnitzer	DeBlieck
Beard	Blatz	Carlson, D.	Cooper	Dempsey

DeRaad	Kalis	Morrison	Quinn	Stanius
Dille	Kelly	Nelson, C.	Quist	Steensma
Dorn	Kelso	Nelson, D.	Redalen	Sviggum
Forsythe	Kinkel	Neuenschwander	Reding	Swenson
Frederick	Kludt	O'Connor	Rest	Thiede
Frerichs	Knickerbocker	Ogren	Rice	Tjornhom
Gruenes	Knuth	Olson, E.	Richter	Tompkins
Gutknecht	Krueger	Olson, K.	Riveness	Trimble
Hartle	Larsen	Omann	Rose	Tunheim
Haukoos	Lasley	Onnen	Sarna	Uphus
Heap	Lieder	Orenstein	Schafer	Valento
Himle	Marsh	Osthoff	Scheid	Voss
Hugoson	McDonald	Otis	Schreiber	Wagenius
Jacobs	McEachern	Ozment	Seaberg	Waltman
Jefferson	McKasy	Pauly	Segal	Wenzel
Jennings	McPherson	Pelowski	Shaver	Winter
Jensen	Milbert	Peterson	Skoglund	
Johnson, R.	Miller	Poppenhagen	Solberg	
Johnson, V.	Minne	Price	Sparby	

Those who voted in the negative were:

Anderson, G.	Greenfield	Kahn	Pappas	Welle
Bishop	Jaros	Murphy	Rodosovich	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1659, A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

McPherson	Osthoff	Redalen
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The bill was passed and its title agreed to.

H. F. No. 1710, A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

Tjornhom	Tunheim	Vellenga	Waltman	Winter
Tompkins	Uphus	Voss	Welle	Wynia
Trimble	Valento	Wagenius	Wenzel	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1784 was reported to the House.

There being no objection, H. F. No. 1784 was continued on the Calendar for one day.

H. F. No. 1989, A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Quist

The bill was passed and its title agreed to.

H. F. No. 2039, A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

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

The bill was passed and its title agreed to.

H. F. No. 2083, A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2132, A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, 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.	Dauner	Jaros	McDonald	Onnen
Anderson, R.	Dawkins	Jefferson	McEachern	Orenstein
Battaglia	DeBlieck	Jennings	McKasy	Osthoff
Bauerly	Dempsey	Jensen	McLaughlin	Otis
Beard	DeRaad	Johnson, A.	McPherson	Ozment
Begich	Dille	Johnson, R.	Milbert	Pappas
Bennett	Dorn	Johnson, V.	Miller	Pauly
Bertram	Forsythe	Kalis	Minne	Pelowski
Bishop	Frederick	Kelly	Morrison	Peterson
Blatz	Frerichs	Kelso	Munger	Poppenhagen
Boo	Greenfield	Kinkel	Murphy	Price
Brown	Gruenes	Kludt	Nelson, C.	Quinn
Burger	Gutknecht	Knickerbocker	Nelson, K.	Quist
Carlson, D.	Hartle	Knuth	Neuenschwander	Redalen
Carlson, L.	Haukoos	Krueger	O'Connor	Rest
Carruthers	Heap	Larsen	Ogren	Rice
Clark	Himle	Lasley	Olson, E.	Richter
Clausnitzer	Hugoson	Lieder	Olson, K.	Riveness
Cooper	Jacobs	Marsh	Omann	Rodosovich

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

The bill was passed and its title agreed to.

H. F. No. 2180, A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Welle moved that the name of Neuenschwander be stricken and the name of Rice be added as chief author on H. F. No. 428. The motion prevailed.

Dempsey moved that the names of Orenstein and Heap be added as authors on H. F. No. 1493. The motion prevailed.

Vanasek moved that his name be stricken and the name of Quinn be added as chief author on H. F. No. 1607. The motion prevailed.

Redalen moved that his name be stricken as an author on H. F. No. 1818. The motion prevailed.

Bauerly moved that the name of Anderson, R., be added as an author on H. F. No. 1955. The motion prevailed.

Greenfield moved that the name of Clark be added as an author on H. F. No. 2126. The motion prevailed.

Kinkel moved that the name of Wenzel be added as an author on H. F. No. 2155. The motion prevailed.

Ozment moved that his name be stricken as an author on H. F. No. 2198. The motion prevailed.

Ozment moved that his name be stricken as an author on H. F. No. 2199. The motion prevailed.

Ogren moved that the names of Wynia, Onnen, Cooper and Kelso be added as authors on H. F. No. 2233. The motion prevailed.

Vellenga moved that the names of Nelson, K.; Otis; McEachern and Olsen, S., be added as authors on H. F. No. 2366. The motion prevailed.

Kalis moved that the name of Dille be added as an author on H. F. No. 2371. The motion prevailed.

Quinn moved that the name of McKasy be added as an author on H. F. No. 2373. The motion prevailed.

Minne moved that the name of Dawkins be added as an author on H. F. No. 2374. The motion prevailed.

Greenfield moved that the name of Rodosovich be stricken and the name of Johnson, R., be added as an author on H. F. No. 2398. The motion prevailed.

Greenfield moved that the name of Ozment be added as an author on H. F. No. 2448. The motion prevailed.

Pauly moved that the name of Morrison be added as an author on H. F. No. 2466. The motion prevailed.

Milbert moved that the name of Kelso be added as an author on H. F. No. 2476. The motion prevailed.

Bauerly moved that the name of Ozment be added as an author on H. F. No. 2519. The motion prevailed.

Riveness moved that the names of Blatz and Himle be added as authors on H. F. No. 2540. The motion prevailed.

Bauerly moved that the name of Trimble be added as an author on H. F. No. 2541. The motion prevailed.

Pappas moved that H. F. No. 2584 be recalled from the Committee on Commerce and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Nelson, C., moved that S. F. No. 1268, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Otis moved that H. F. No. 1586 be recalled from the Committee on Appropriations and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Voss moved that H. F. Nos. 616, 942 and 1566 be returned to their author. The motion prevailed.

Otis; Vanasek; Wynia; Anderson, G., and Schreiber introduced:

House Concurrent Resolution No. 13, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Skoglund; Johnson, A.; Steensma; Ogren and Jefferson introduced:

House Concurrent Resolution No. 14, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Hartle, Bishop, Boo, McKasy and Redalen introduced:

House Concurrent Resolution No. 15, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Segal; Riveness; Greenfield; Nelson, D., and Olson, K., introduced:

House Concurrent Resolution No. 16, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Shaver, Waltman, DeRaad, Rose and Pauly introduced:

House Concurrent Resolution No. 17, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Dauner, Carruthers, Jaros, Jennings and Kahn introduced:

House Concurrent Resolution No. 18, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Pappas, Simoneau, Clark, Beard and Dawkins introduced:

House Concurrent Resolution No. 19, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Rukavina, Trimble, Wagenius, Welle and Orenstein introduced:

House Concurrent Resolution No. 20, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Price; Nelson, K.; Anderson, R.; Voss and Minne introduced:

House Concurrent Resolution No. 21, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

Carlson, D.; Reding; Knuth; Vellenga and Kelly introduced:

House Concurrent Resolution No. 22, A House concurrent resolu-

tion deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

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

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 9, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 9, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives